

001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU-74426

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

na

7. UNIT AGREEMENT NAME

na

8. FARM OR LEASE NAME

na

9. WELL NO.

Bonanza 2-12-9-23

10. FIELD OR LEASE NAME

Undesignated - Natural Buttes

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Sec 12, T9S, R23E

12. COUNTY OR PARISH 13. STATE

Uintah

Utah

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

B. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

The Houston Exploration Company

3. ADDRESS OF OPERATORS

1100 Louisiana Suite 2000 Houston, TX 77002

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface 743' FNL & 1962' FEL NWNE 647367X 40.655699

At proposed prod. Zone same as above 4435159Y -109.272259

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

50.7 miles south of Vernal, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

743'

16. NO. OF ACRES IN LEASE

1,200

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED.

OR APPLIED FOR, ON THIS LEASE, FT.

1,300'

19. PROPOSED DEPTH

8,225

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

5043.5 GR

22. APPROX. DATE WORK WILL START

April 15 2005

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 11" | 8 5/8" | 36# | 2000' | 779 sks |
| 7 7/8" | 4 1/2" | 11.6# | T.D. | 600 sks |

The operator requests permission to drill the subject well. Please find the attached 10 point plan and 13 point plan.

William A Ryan
290 S 800 E
Vernal, UT 84078
435-789-0968

RECEIVED

APR 06 2005

DIV. OF OIL, GAS & MINING

Federal Approval of this
Action is Necessary

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William A. Ryan

TITLE

Agent

DATE

Mar. 18, 2005

(This space for Federal or State Office use)

PERMIT NO.

43-047-34527

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

BRADLEY G. HILL

DATE




04-11-05

ENVIRONMENTAL SCIENTIST III

*See Instructions on Reverse Side

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONFIDENTIAL

-  = 90° SYMBOL
 = PROPOSED WELL HEAD.
 = SECTION CORNERS LOCATED.

002

The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002
713-830-6800

RECEIVED
APR 06 2005
DIV. OF OIL, GAS & MINING

Please hold all information associated with this Application for Permit to Drill and all associated logs confidential for a minimum of six (6) months.

SELF-CERTIFICATION STATEMENT

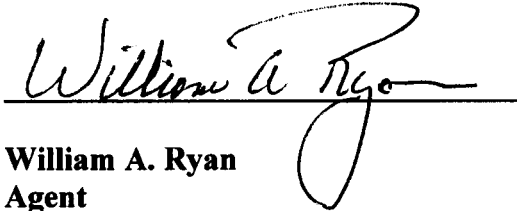
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that The Houston Exploration Company are considered to be the operator of the following well.

**Bonanza 2-12-9-23
Section 12, T.9S, R.23E.
NW 1/4, NE 1/4
Lease UTU-74426
Uintah County, Utah**

The Houston Exploration Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond 104155044 provides state-wide bond coverage on all Federal lands.

A handwritten signature in cursive script, reading "William A. Ryan", is written over a horizontal line.

**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com**

Ten Point Plan**The Houston Exploration Company**

Bonanza 2-12-9-23

Surface Location NW ¼ NE ¼, Section 12, T. 9S., R. 23E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|-------------------------|--------------|--------------|
| Green River | Surface | +5,044' G.L. |
| Uteland Butte Limestone | 4,400 | +644' |
| | 4,535 | +509' |
| Mesaverde | 6,375 | -1,331' |
| Buck Tounge | 8,170 | -3,126' |
| Castlegate | 8,245 | -3,201' |
| TD | 8,225 | -3,181' |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information.

Off set wells:

Permitted/Drilled: Bonanza #3-12-9-23

Bonanza #5-12-9-23

Bonanza #6-12-9-23

Bonanza #7-12-9-23

Bonanza #9-12-9-23

Bonanza #11-12-9-23

Bonanza #13-12-9-23

Bonanza #15-12-9-23

Bonanza #16-12-9-23

Producing Wells: Bonanza #12D-12

Bonanza #4-7

Bonanza #6D-7

Shut in wells: Bonanza #1-11

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11 | 8 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 1/2 | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|--------------------|--|-----------------------|-------------------------|----------------------|
| Lead: | 8 5/8 | Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 8 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 8 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|-------|------------------------|---|---------------------------|-------------------------|--------------------------|
| Lead: | 4 1/2 | Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 200 sks +/- | 3.3ft ³ /sk | 11.0 ppg |
| Tail: | 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 400 sks +/- | 1.56ft ³ /sk | 14.3 ppg |

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

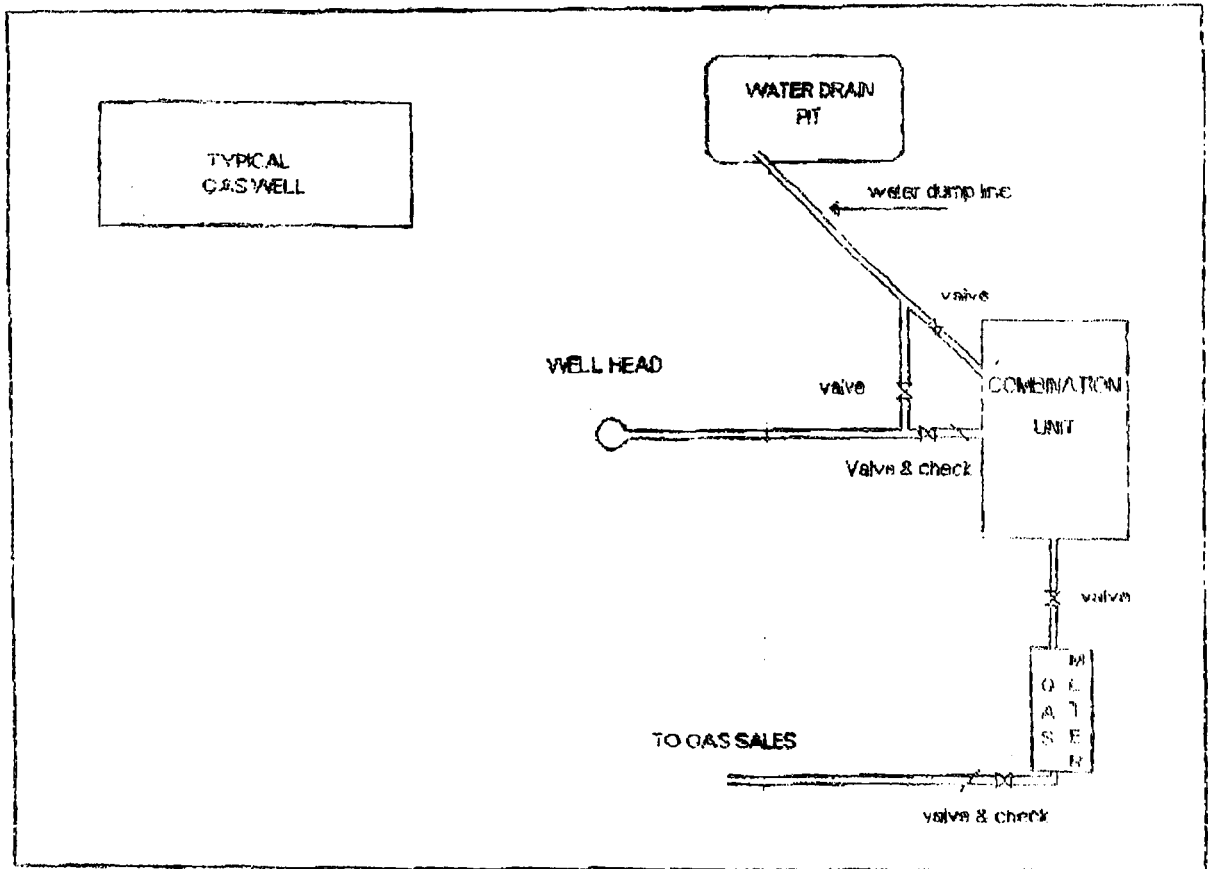
| | |
|----------------------|-------------------|
| Type | Interval |
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

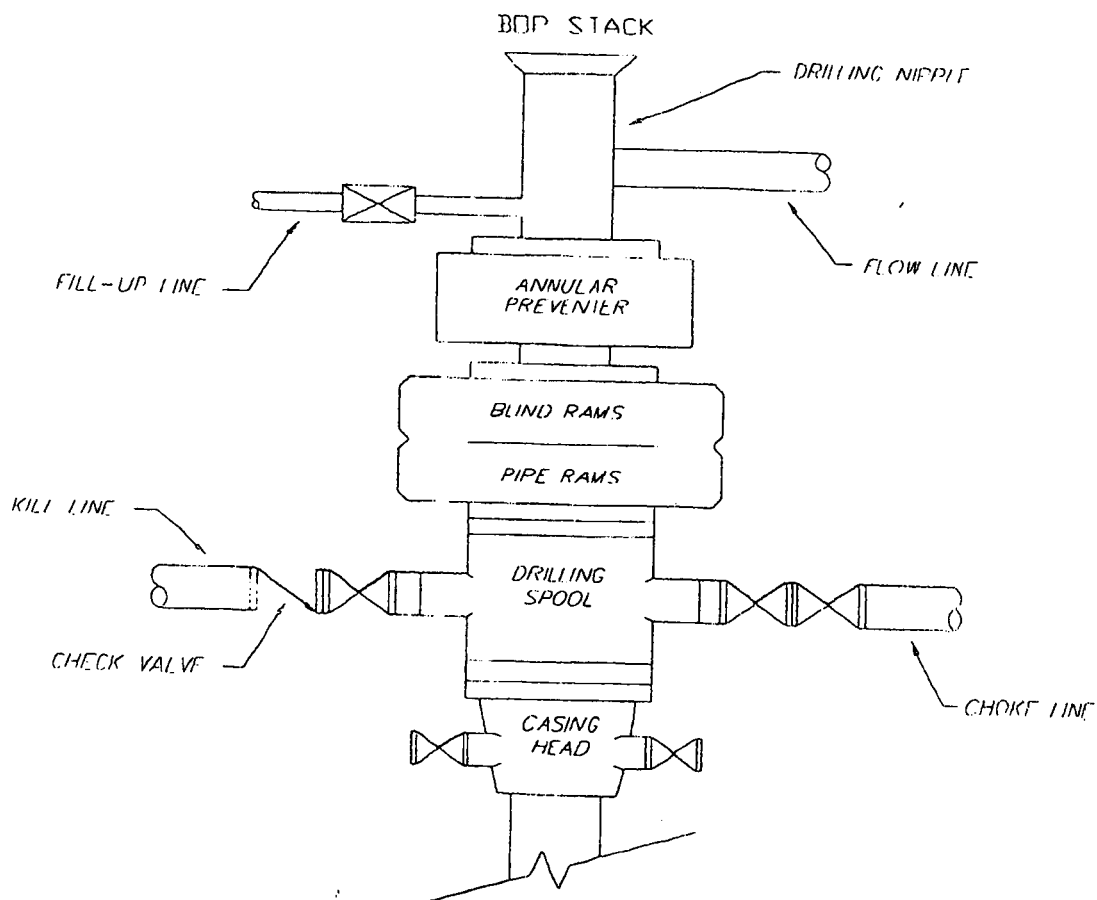
10. Drilling Schedule:

The anticipated starting date is April 1, 2005. Duration of operations is expected to be 30 days.

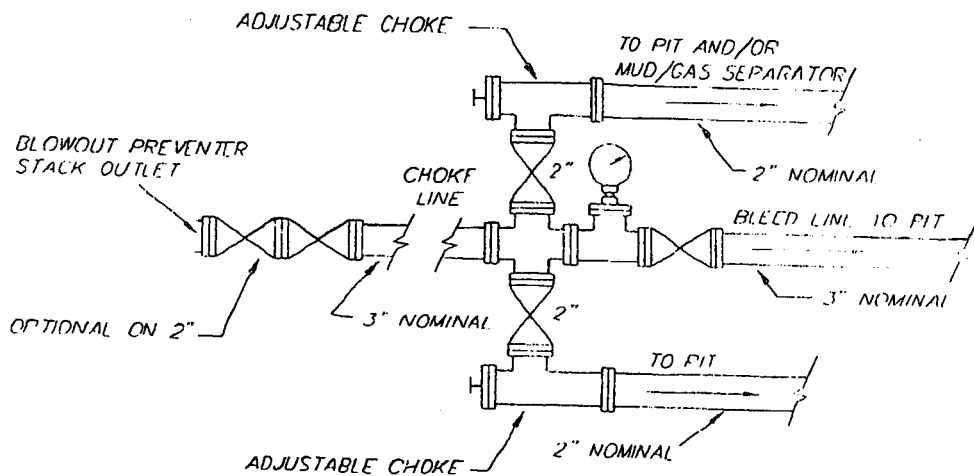


THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

BONANZA 2-12-9-23

LOCATED IN NW ¼ NE ¼

SECTION 12, T.9S, R23E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-74426

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach The Houston Exploration Co well Bonanza #2-12-9-23 in Section 12, T9S, R 23 E, Starting in Vernal, Utah.

Proceed in an easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 36.6 miles on State Highway 45 to the junction of this road and an existing road to the west; turn right and proceed in a westerly, then northwesterly direction approximately 7.8 miles to the junction of this road and an existing road to the north; turn right and proceed in a northerly, then northeasterly direction approximately 1.5 miles to the junction of this road and an existing two-track road to the northeast; proceed in a northeasterly, then easterly direction approximately 0.8 miles to the beginning of the proposed access to the southeast; follow road flags in a southeasterly direction approximately 0.1 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 50.7 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 528' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

| | |
|----------------------------------|-------------|
| A) Approximate length | 528 ft |
| B) Right-of-Way width | 30 ft |
| C) Running surface | 18 ft |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | Federal |
| L) All new construction on lease | Yes |
| M) Pipe line crossing | No |

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- A) Producing well
 - Bonanza 12D-12
 - Bonanza 4-7
 - Bonanza 6D-7

- B) Water well None
 C) Abandoned well None
 D) Temp. abandoned well None
 E) Disposal well None
 F) Drilling /Permitted well
 Bonanza 3-12-9-23
 Bonanza 5-12-9-23
 Bonanza 6-12-9-23
 Bonanza 7-12-9-23
 Bonanza 9-12-9-23
 Bonanza 11-12-9-23
 Bonanza 13-12-9-23
 Bonanza 15-12-9-23
 Bonanza 16-12-9-23
 G) Shut in wells
 Bonanza 1-11
 H) Injection well None
 I) Monitoring or observation well
 None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 586' +/- of 3" pipeline would be constructed on Federal Lands. The pipeline will tie into the existing pipeline in Sec. 12, T9S, R23E. The pipeline will be strung and boomed to the west of the location and the north and west of the access road.

An off lease Right-of-Way will not be required.

Please see the attached location diagrams for pipe-line location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The White River at the Bonanza Bridge, Permit # - T75376.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 12 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

| | |
|-------------------------|------------------|
| A) Pad length | 345 ft |
| B) Pad width | 245 ft |
| C) Pit depth | 12 ft |
| D) Pit length | 150 ft |
| E) Pit width | 75 ft |
| F) Max cut | 22.1 ft |
| G) Max fill | 8.2 ft |
| H) Total cut yds. | 11,240cu yds |
| I) Pit location | north side |
| J) Top soil location | south & west end |
| K) Access road location | west end |
| L) Flare Pit | corner C |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of

reinforcement rod is attached to the top of the entire fence.

- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,780 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has

been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will

be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix:

**To be determined by the
Authorized Officer**

11. Surface ownership:

| | |
|--------------------|----------------|
| Access road | Federal |
| Location | Federal |
| Pipe line | Federal |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed.
A copy of that survey will be
forwarded to your office.

If, during operations, any
archaeological or historical
sites, or any objects of antiquity
(subject to the antiquities act of
June 8, 1906) are discovered, all
operations which would affect
such sites will be suspended and
the discovery reported promptly
to the surface management
agency.

D) Water:

**The nearest water is the
White River located
approximately 7 miles to the
South.**

E) Chemicals:

No pesticides, herbicides or
other possible hazardous
chemicals will be used without
prior application.

F) Notification:

- a) Location Construction
At least forty eight (48)
hours prior to
construction of location
and access roads.
- b) Location completion
Prior to moving on the
drilling rig.
- c) Spud notice
At least twenty-four (24)
hours prior to spudding
the well.
- d) Casing string and

cementing

At least twenty-four (24)
hours prior to running
casing and cementing all
casing strings.

- e) BOP and related
equipment tests
At least twenty-four (24)
hours prior to initial
pressure tests.
- f) First production notice
Within five (5) business
days after the new well
begins, or production
resumes after well has
been off production for
more than 90 days.

G) Flare pit:

The flare pit will be located in
corner C of the reserve pit out
side the pit fences and 100 feet
from the bore hole on the east
side of the location. All fluids
will be removed from the pit
within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations
will be conducted in such a
manner that full compliance is
made with all applicable laws,

regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Rocky Mountain Consulting

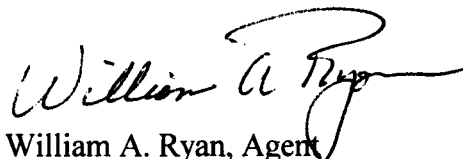
Onsite Dates: 3/17/05

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 03/25/05


William A. Ryan, Agent

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

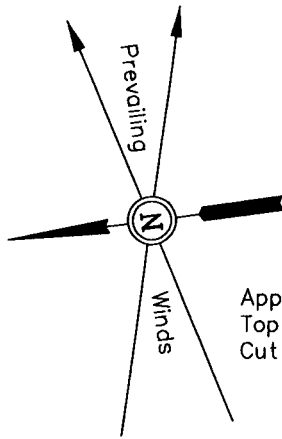
FIGURE #1

LOCATION LAYOUT FOR

BONANZA #2-12-9-23

SECTION 12, T9S, R23E, S.L.B.&M.

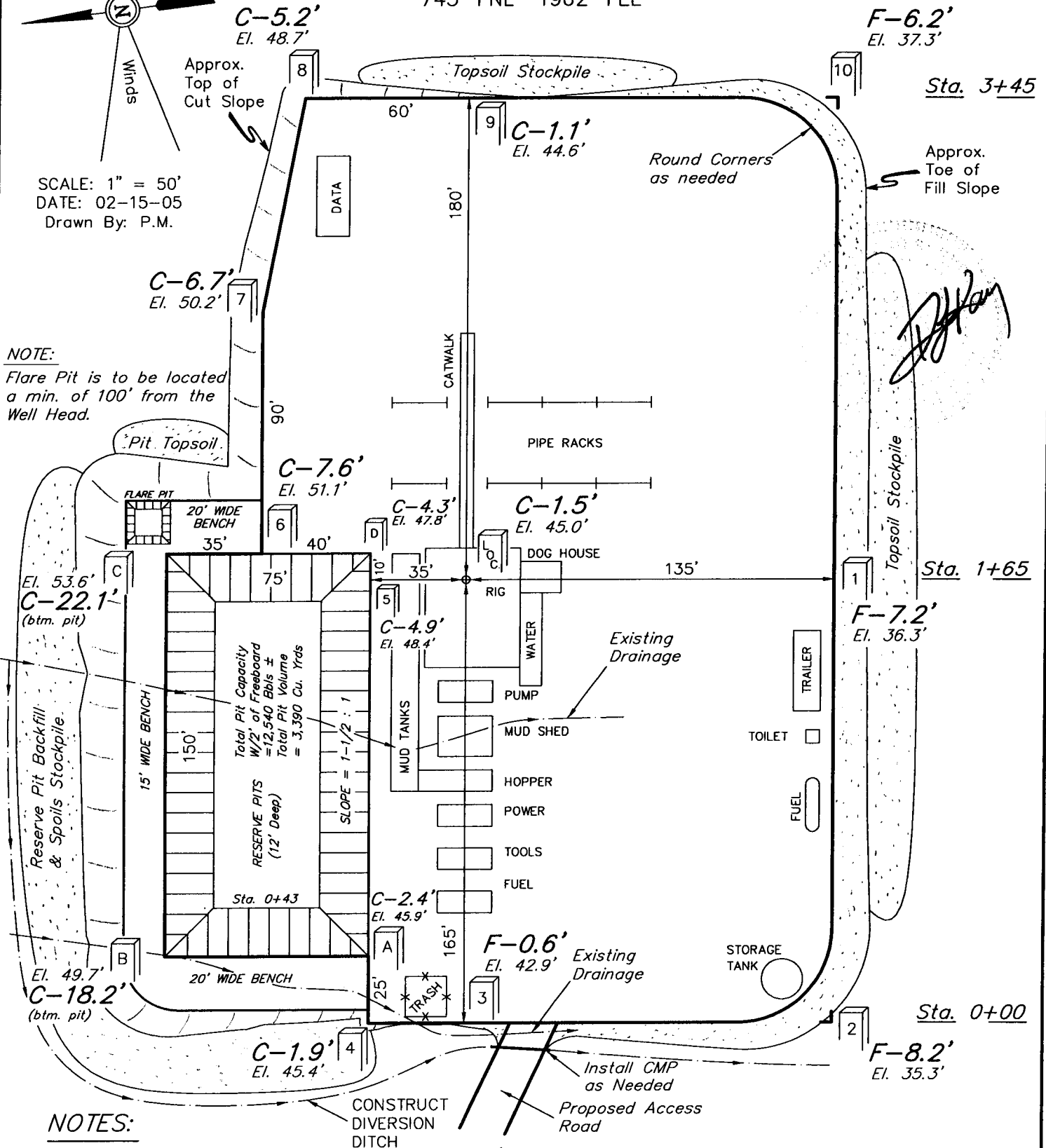
743' FNL 1962' FEL



SCALE: 1" = 50'
DATE: 02-15-05
Drawn By: P.M.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5045.0'

FINISHED GRADE ELEV. AT LOC. STAKE = 5043.5'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE HOUSTON EXPLORATION COMPANY

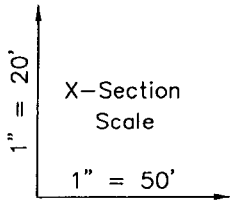
FIGURE #2

TYPICAL CROSS SECTIONS FOR

BONANZA #2-12-9-23

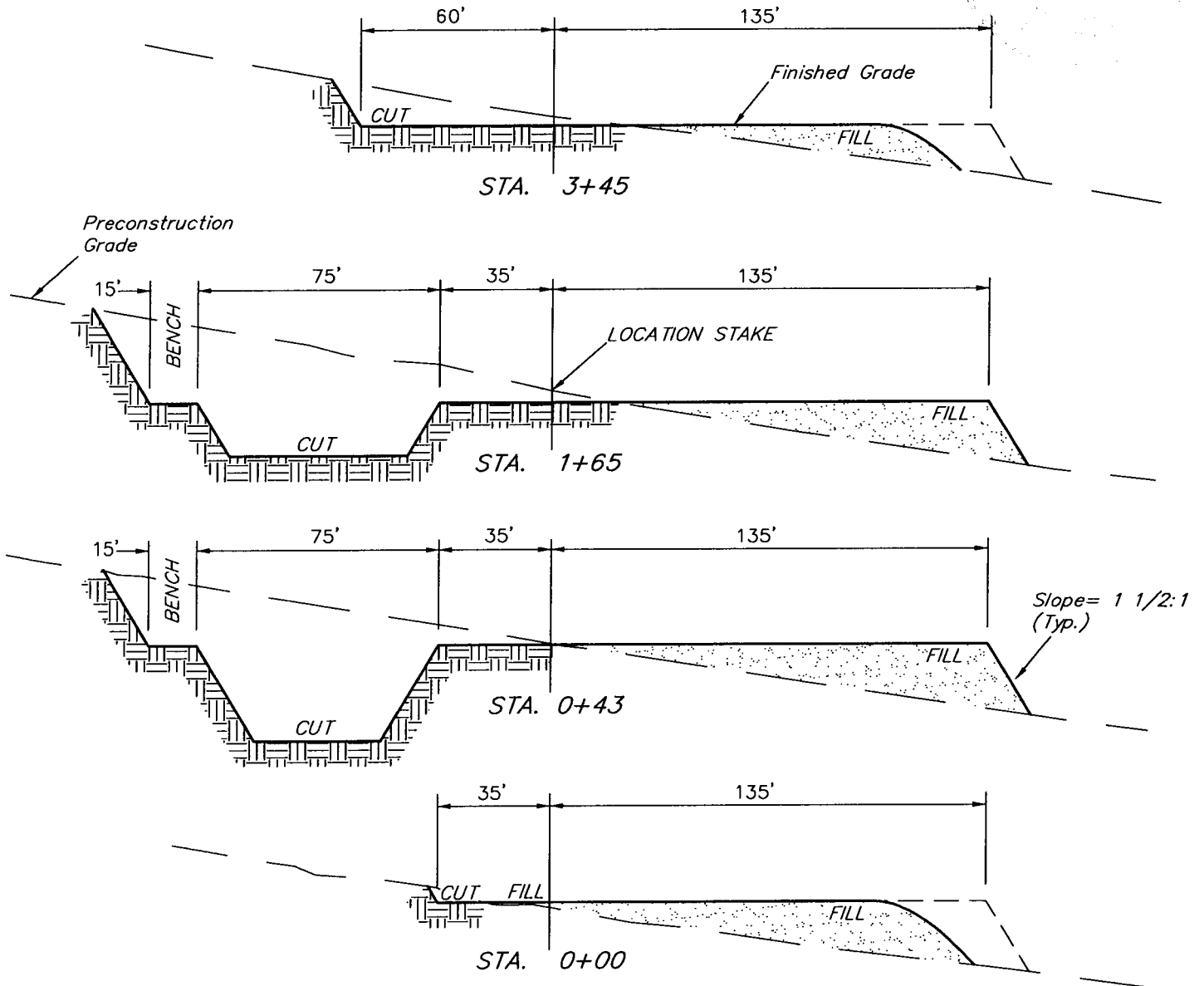
SECTION 12, T9S, R23E, S.L.B.&M.

743' FNL 1962' FEL



DATE: 02-15-05
Drawn By: P.M.

[Handwritten Signature]



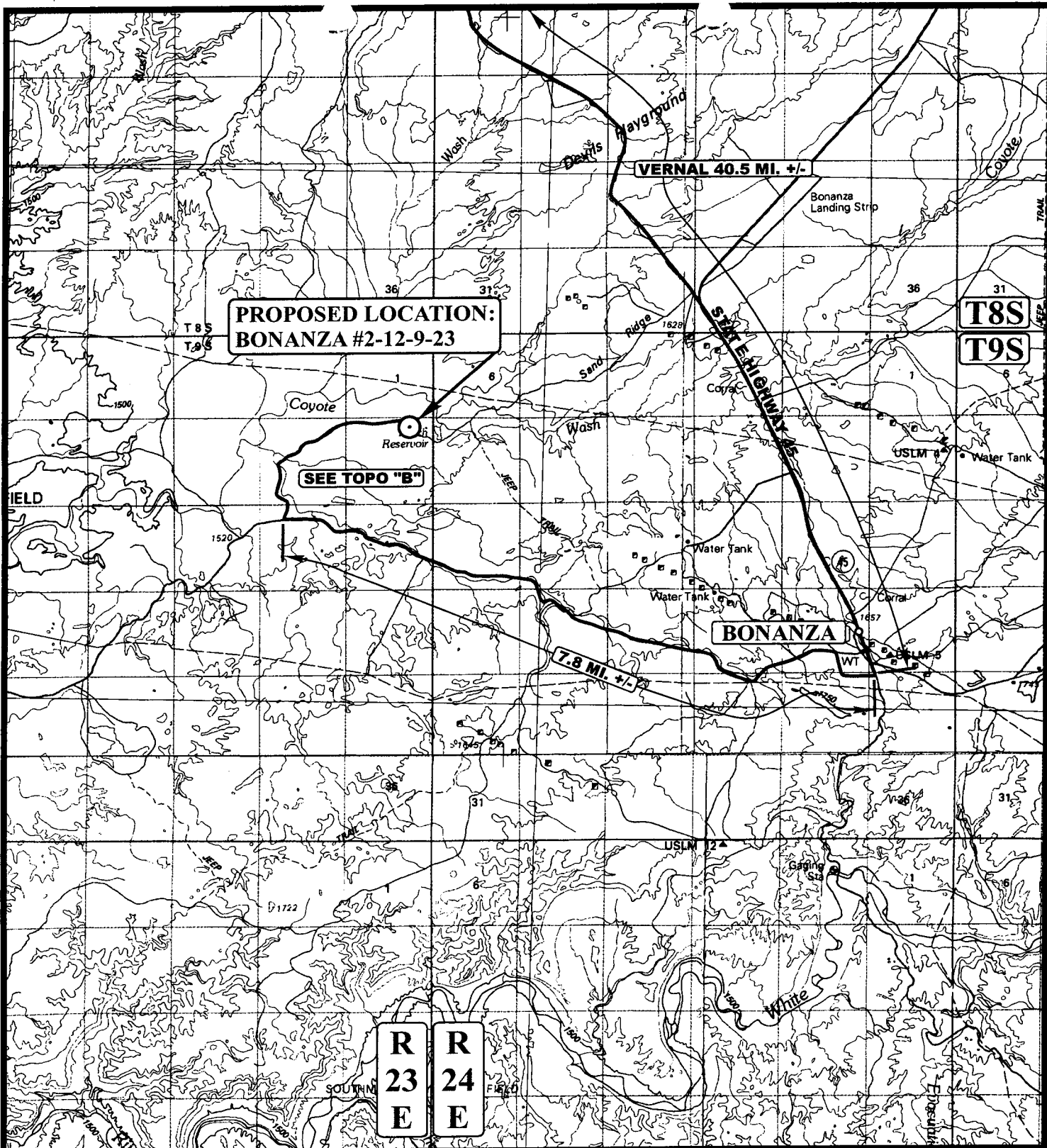
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|-------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,780 Cu. Yds. |
| Remaining Location | = 9,460 Cu. Yds. |
| TOTAL CUT | = 11,240 CU.YDS. |
| FILL | = 7,770 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,470 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,470 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



THE HOUSTON EXPLORATION COMPANY

BONANZA #2-12-9-23
SECTION 12, T9S, R23E, S.L.B.&M.
743' FNL 1962' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02 18 05
 MONTH DAY YEAR

SCALE: 1:100,000 **DRAWN BY: C.P.** **REVISED: 00-00-00**



THE HOUSTON EXPLORATION COMPANY

BONANZA #2-12-9-23

**LOCATED IN UINTAH COUNTY, UTAH
SECTION 12, T9S, R23E, S.L.B.&M.**

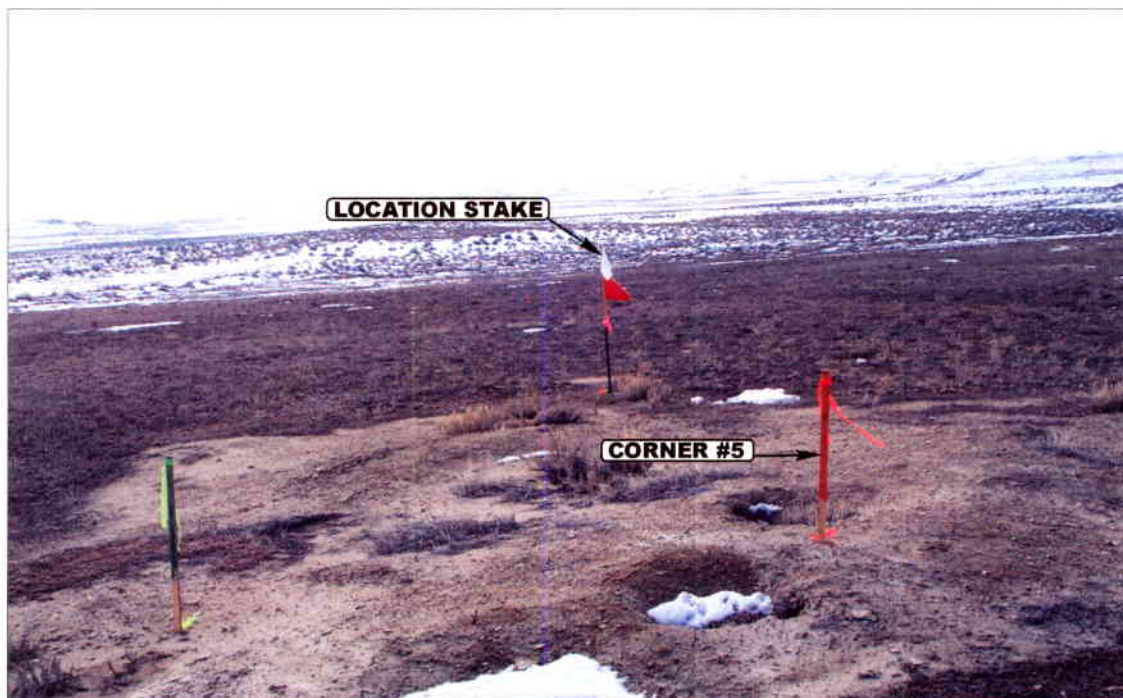


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

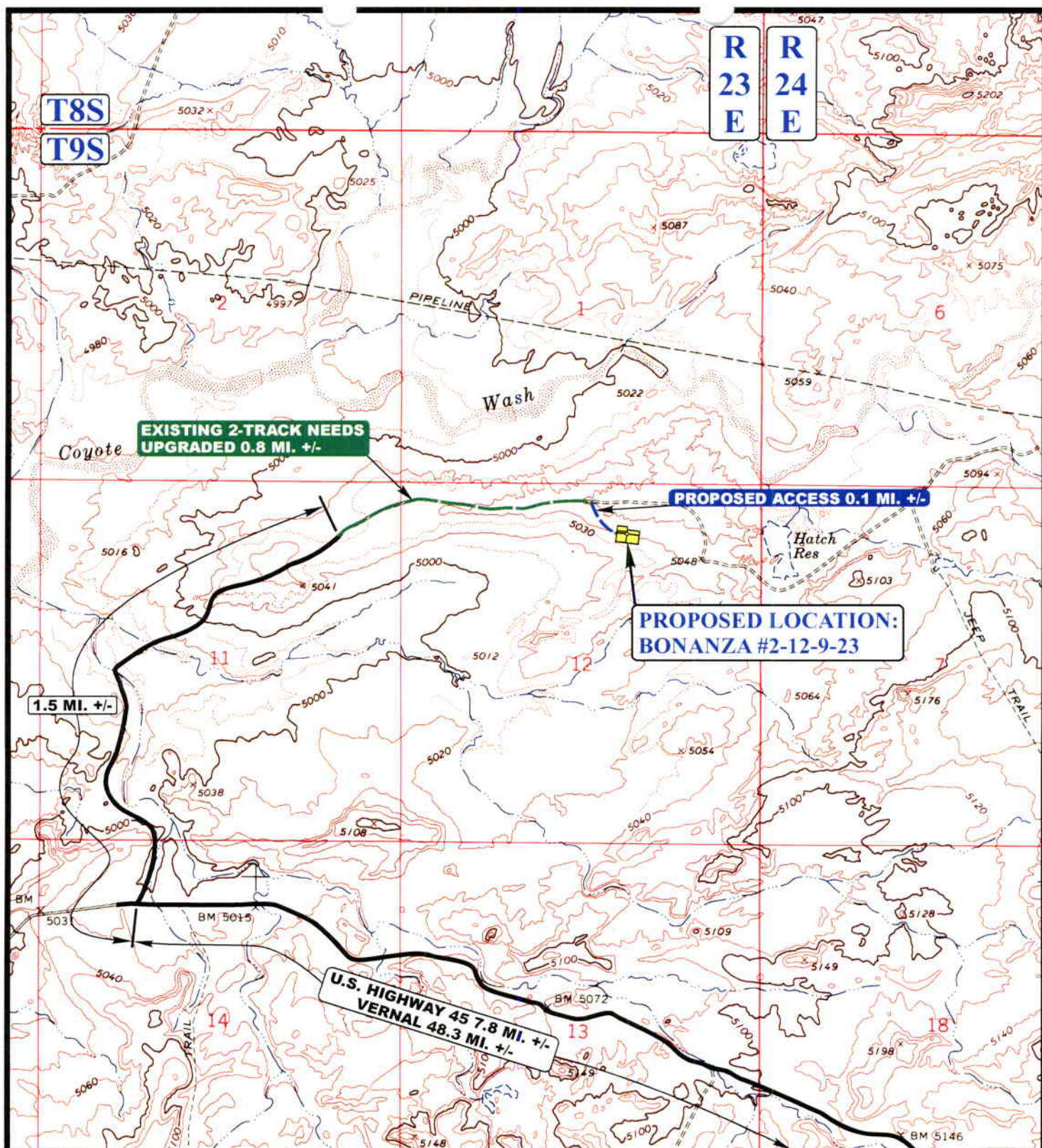
02 18 05
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED



THE HOUSTON EXPLORATION COMPANY

BONANZA #2-12-9-23
SECTION 12, T9S, R23E, S.L.B.&M.
743' FNL 1962' FEL



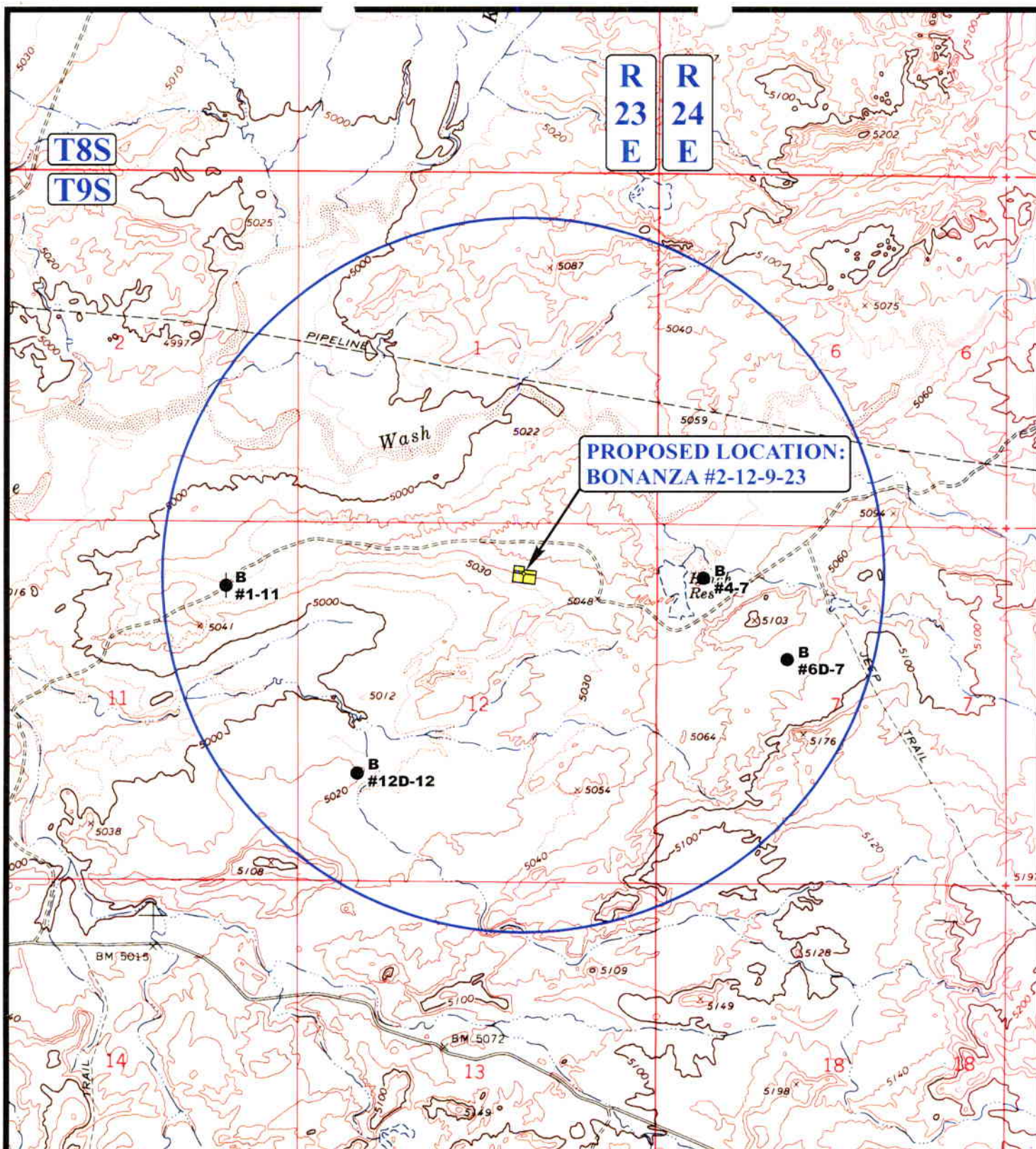
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

02 18 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

THE HOUSTON EXPLORATION COMPANY

BONANZA #2-12-9-23
SECTION 12, T9S, R23E, S.L.B.&M.
743' FNL 1962' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

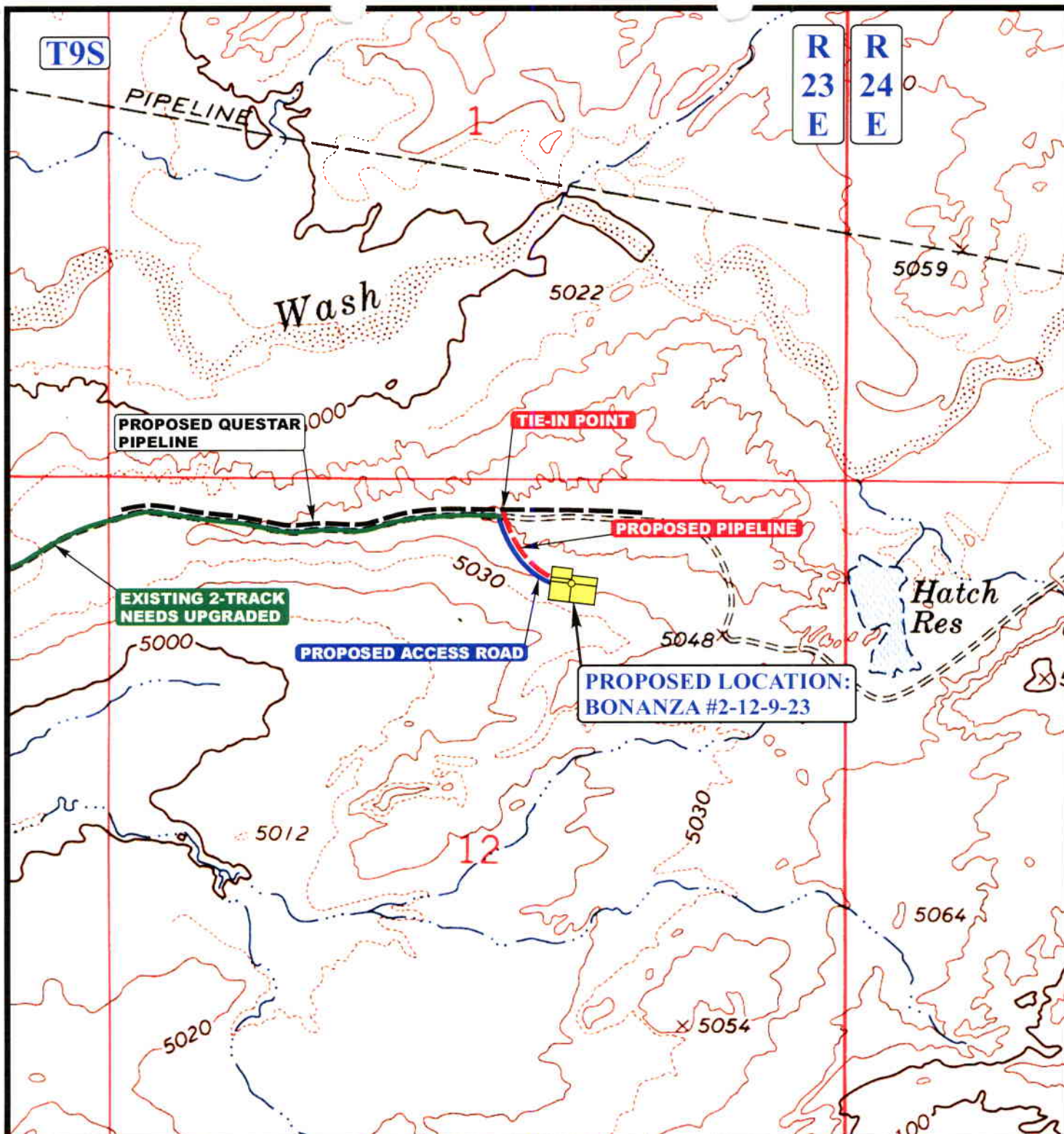
02 18 05
 MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: C.P.

REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 586' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- EXISTING 2-TRACK NEEDS UPGRADED



THE HOUSTON EXPLORATION COMPANY

BONANZA #2-12-9-23
SECTION 12, T9S, R23E, S.L.B.&M.
743' FNL 1962' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **02 18 05**
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



005

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/06/2005

API NO. ASSIGNED: 43-047-36527

WELL NAME: BONANZA 2-12-9-23

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NWNE 12 090S 230E

SURFACE: 0743 FNL 1962 FEL

BOTTOM: 0743 FNL 1962 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-74426

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CSLGT

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

LATITUDE: 40.05570

LONGITUDE: -109.2723

RECEIVED AND/OR REVIEWED:

☒ Plat☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 104155044)☒ Potash (Y/N)☒ Oil Shale 190-5 (B) or 190-3 or 190-13☒ Water Permit

(No. T-75376)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No:

Eff Date:

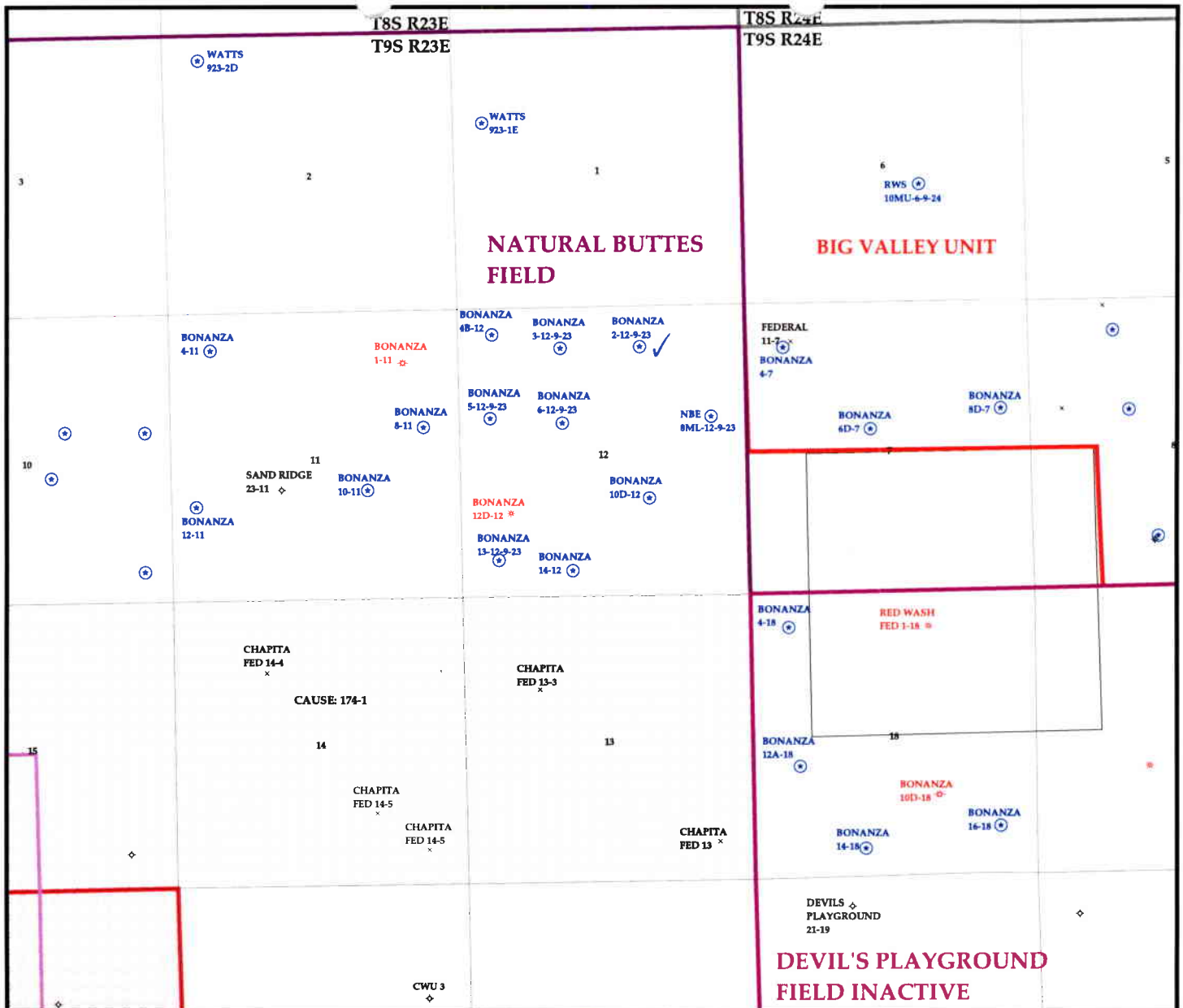
Siting:

R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Slip



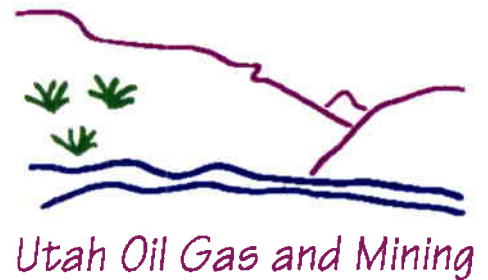
OPERATOR- THE HOUSTON EXPL CO (N2525)

SEC. 12 T.9S R.23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



| Wells | Units.shp | Fields.shp |
|-----------------------|--------------|------------|
| ✧ GAS INJECTION | EXPLORATORY | ABANDONED |
| ✧ GAS STORAGE | GAS STORAGE | ACTIVE |
| ✧ LOCATION ABANDONED | NF PP OIL | COMBINED |
| ✧ NEW LOCATION | NF SECONDARY | INACTIVE |
| ✧ PLUGGED & ABANDONED | PENDING | PROPOSED |
| ✧ PRODUCING GAS | PI OIL | STORAGE |
| ✧ PRODUCING OIL | PP GAS | TERMINATED |
| ✧ SHUT-IN GAS | PP GEOTHERML | |
| ✧ SHUT-IN OIL | PP OIL | |
| ✧ TEMP. ABANDONED | SECONDARY | |
| ✧ TEST WELL | TERMINATED | |
| ✧ WATER INJECTION | | |
| ✧ WATER SUPPLY | | |
| ✧ WATER DISPOSAL | | |



PREPARED BY: DIANA WHITNEY
DATE: 08-APRIL-2005

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 11, 2005

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: Bonanza 2-12-9-23 Well, 743' FNL, 1962' FEL, NW NE, Sec. 12, T. 9 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36527.

Sincerely,

A handwritten signature in black ink, appearing to read "J.R. Baza".

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Houston Exploration Company
Well Name & Number Bonanza 2-12-9-23
API Number: 43-047-36527
Lease: UTU-74426

Location: NW NE **Sec.** 12 **T.** 9 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

The Houston Exploration Company *N2525*

3. ADDRESS OF OPERATOR:

1100 Louisiana, Ste 2000 CITY Houston

STATE TX

ZIP 77002

PHONE NUMBER:

(713) 830-6938

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See Attached List

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

See Attached List

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION



NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

Effective

9/1/05



SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE 9/1/05



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC
475 17th Street, Ste 1500
Denver, CO 80202

Operator #N 2750

Utah State Bond #RLB0008031

Contact : Frank Hutto 303-350-5102

Frank Hutto
Signature & Title

Date

9/19/05

NAME (PLEASE PRINT) Joanne Hresko

TITLE Vice President/General Manager Onshore

SIGNATURE

Joanne Hresko

DATE 9/2/2005

(This space for State use only)

APPROVED *9/29/2005*

Earlene Russell
Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

(Actions on Reverse Side)

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

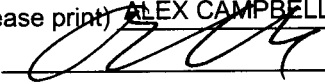
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

| | |
|---|---|
| Well name: | Bonanza 2-12-9-23 |
| API number: | 4304736527 |
| Location: | Qtr-Qtr: NWNE Section: 12 Township: 9S Range: 23E |
| Company that filed original application: | HOUSTON EXPLORATION COMPANY |
| Date original permit was issued: | 04/28/2005 |
| Company that permit was issued to: | HOUSTON EXPLORATION COMPANY |

| Check one | Desired Action: |
|-------------------------------------|---|
| <input type="checkbox"/> | Transfer pending (unapproved) Application for Permit to Drill to new operator |
| <input type="checkbox"/> | The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application. |
| <input checked="" type="checkbox"/> | Transfer approved Application for Permit to Drill to new operator |
| <input type="checkbox"/> | The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. |

| Following is a checklist of some items related to the application, which should be verified. | Yes | No |
|---|-------------------------------------|-------------------------------------|
| If located on private land, has the ownership changed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> If so, has the surface agreement been updated? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Has the approved source of water for drilling changed? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) ALEX CAMPBELL Title VICE PRESIDENT OF LAND
Signature  Date 09/19/2005
Representing (company name) ENDURING RESOURCES, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

SEP 26 2005

TRANSFER OF OPERATOR

NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

| API Well Number | Well Name | Well Status | Qtr/Qtr | Section | Township-Range | FNL/FSL | FEL/FWL | Latitude | Longitude |
|-----------------|------------------------|-------------|---------|---------|----------------|---------|---------|----------|------------|
| 43047355550000 | Bonanza #10D-18 | SI | NWSE | 18 | 9S-24E | 1437 S | 1800 E | 40.03340 | -109.25282 |
| 43047355510000 | Bonanza #12D-12 | Producing | NWSW | 12 | 9S-23E | 1556 S | 867 W | 40.04788 | -109.28055 |
| 43047356930000 | Bonanza #2D-27 | Producing | NWNE | 27 | 9S-24E | 1064 N | 1824 E | 40.01123 | -109.19600 |
| 43047359080000 | Bonanza 10-11 | Producing | NWSE | 11 | 9S-23E | 1991 S | 1755 E | 40.04866 | -109.29035 |
| 43047356920000 | Bonanza 10D-8 | SI | NWSE | 8 | 9S-24E | 1510 S | 1768 E | 40.04789 | -109.23383 |
| 43047355520000 | Bonanza 1-11 | Producing | NWNW | 11 | 9S-23E | 990 N | 990 E | 40.05431 | -109.29891 |
| 43047359290000 | Bonanza 12-20 | Drig | NWSW | 20 | 9S-25E | 1998 S | 825 W | 40.01947 | -109.13150 |
| 43047-359210000 | Bonanza 12A-18 | Producing | NWSW | 18 | 9S-24E | 2067 S | 813 W | 40.03430 | -109.26242 |
| 43047359090000 | Bonanza 14-12 | Evaluating | SESW | 12 | 9S-23E | 505 S | 2001 W | 40.04455 | -109.27693 |
| 43047359940000 | Bonanza 4-18 | WOPL | NWNW | 18 | 9S-24E | 706 N | 682 W | 40.04119 | -109.26288 |
| 43047-356220000 | Bonanza 4D-16 | Producing | NWNW | 16 | 9S-24E | 1152 N | 1209 W | 40.04000 | -109.22349 |
| 43047358600000 | Bonanza 6-36 | Producing | SENW | 36 | 9S-24E | 2217 N | 2009 W | 39.99336 | -109.16393 |
| 43047359120000 | Bonanza 6B-8 | Producing | SENW | 8 | 9S-24E | 2017 N | 1878 W | 40.05213 | -109.24004 |
| 43047359200000 | Bonanza 8D-7 | Producing | SENE | 7 | 9S-24E | 1992 N | 477 E | 40.05220 | -109.24845 |
| 43047359050000 | Buck Canyon 15-24 | P&A | SW/SE | 24 | 12S-21E | 700 S | 2139 E | 39.75386 | -109.5134 |
| 43047348150000 | Cartwright 2-35 | TA | NWNE | 35 | 9S-24E | 858 N | 2104 E | 39.99733 | -109.17882 |
| 43047332510000 | East Bench 11-16 | WOC | NESW | 16 | 11S-22E | S S | 1980 W | 39.85889 | -109.46172 |
| 43047347560000 | Hoss 15 | Producing | SWSE | 20 | 9S-25E | 1291 S | 2088 E | 40.01767 | -109.12236 |
| 43047348140000 | Little Joe 11-7 | TA | NENE | 7 | 9S-25E | 710 N | 644 E | 40.05562 | -109.13601 |
| 43047361500000 | Rainbow 14-17 | WOC | SESW | 17 | 11S-24E | 780 S | 1726 W | 39.85689 | -109.25731 |
| 43047361840000 | Rainbow 2-16 | WOC | NWNE | 16 | 11S-24E | 837 N | 2136 E | 39.86708 | -109.23348 |
| 43047353630000 | Southman Canyon 10D-36 | Producing | NWSE | 36 | 9S-23E | 1757 S | 1650 E | 39.98991 | -109.27148 |
| 43047353640000 | Southman Canyon 12D-36 | Producing | NWSW | 36 | 9S-23E | 1518 S | 1069 W | 39.98977 | -109.28040 |
| 43047357700000 | Southman Canyon 14C-36 | Producing | SESW | 36 | 9S-23E | 648 S | 1717 W | 39.98689 | -109.27716 |
| 43047357720000 | Southman Canyon 16C-36 | Producing | SESE | 36 | 9S-23E | 542 S | 736 E | 39.98607 | -109.26912 |
| 43047356910000 | Southman Canyon 2D-30 | Producing | NWNE | 30 | 9S-24E | 1171 N | 1502 E | 40.01111 | -109.25269 |
| 43047353650000 | Southman Canyon 2D-36 | Producing | NWNE | 36 | 9S-23E | 960 N | 1751 E | 39.99711 | -109.27228 |
| 43047353610000 | Southman Canyon 4D-36 | Producing | NWNW | 36 | 9S-23E | 1163 N | 1137 W | 39.99623 | -109.28012 |
| 43047353620000 | Southman Canyon 6D-36 | Producing | SENW | 36 | 9S-23E | 2466 N | 2271 W | 39.99336 | -109.27635 |
| 43047357710000 | Southman Canyon 8C-36 | Producing | SENE | 36 | 9S-23E | 2185 N | 694 E | 39.99358 | -109.26783 |
| 43047355590000 | Thurston Federal #12-1 | Producing | SESW | 12 | 12S-21E | 692 S | 1959 W | 39.78280 | -109.51768 |

TRANSFER OF OPERATOR BLM APPROVED WELLS #2

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number |
|------------------------------|------------------|---------------|----------------|----------------|----------------------|--|-------------------------|
| Asphalt Wash 13-7 | SW/SW | 7 | 11S | 24E | UTU-73040 | 739' FSL & 629' FWL | 43-047-36234 |
| Bonanza 16-18 | SE/SE | 18 | 9S | 24E | UTU-73457 | 861' FSL & 715' FEL | 43-047-35992 |
| Bonanza 4-11 | NW/NW | 11 | 9S | 23E | UTU-74426 | 671' FNL & 729' FWL | 43-047-35968 |
| Bonanza 10D-12 | NW/SE | 12 | 9S | 23E | UTU-74426 | 1,785' FSL & 1,855' FEL | 43-047-35919 |
| Bonanza 12-11 | NW/SW | 11 | 9S | 23E | UTU-74426 | 1748' FSL & 420' FWL | 43-047-35916 |
| Bonanza 14-18 | SE/SW | 18 | 9S | 24E | UTU-73457 | 472' FSL & 2,010' FWL | 43-047-35993 |
| Bonanza 14A-8 | SE/SW | 8 | 9S | 24E | UTU-73457 | 907' FSL & 2,298' FWL | 43-047-35952 |
| Bonanza 16A-27 | SE/SE | 27 | 9S | 24E | UTU-80571 | 862' FSL & 581' FEL | 43-047-35923 |
| Bonanza 2-21 | NW/NE | 21 | 8S | 25E | UTU-73470 | 1,207' FNL & 1,541' FEL | 43-047-35926 |
| Bonanza 3-8 | NW/NW | 8 | 9S | 24E | UTU-73457 | 573' FNL & 1,518' FWL | 43-047-35966 |
| Bonanza 6D-7 | SE NW | 7 | 9S | 24E | UTU-73457 | 2,310' FNL & 2,310' FWL | 43-047-35690 |
| Bonanza 8-11 | SE/NE | 11 | 9S | 23E | UTU-74426 | 2,163 FNL & 615' FEL | 43-047-35907 |
| Bonanza 8B-27 | SE/NE | 27 | 9S | 24E | UTU-80571 | 1,830' FNL & 735' FEL | 43-047-35923 |
| Buck Camp 4-25 | NW/NW | 25 | 11S | 22E | UTU-74424 | 804 FNL & 695 FWL | 43-047-36276 |
| Buck Camp 4-26 | NW/NW | 26 | 11S | 22E | UTU-74974 | 660' FNL & 660' FWL | 43-047-36274 |
| Buck Canyon 1-24 | NE/NE | 24 | 12S | 21E | UTU-73440 | 488' FNL & 833' FEL | 43-047-35606 |
| Buck Canyon 15-24 | SW/SE | 24 | 12S | 21E | UTU-73440 | 700' FSL & 2,139' FEL | 43-047-35905 |
| Buck Canyon 7-24 | SW/NE | 24 | 12S | 21E | UTU-73440 | 2,041' FNL & 2,171' FEL | 43-047-35904 |
| Buck Canyon 9-24 | NE/SE | 24 | 12S | 21E | UTU-73440 | 1784' FSL & 855' FEL | 43-047-35903 |
| Rainbow 1-17 | NE/NE | 17 | 11S | 24E | UTU-73920 | 795' FNL & 586' FEL | 43-047-36151 |
| Southman Canyon #14-30 | SE/SW | 30 | 9S | 24E | UTU-80571 | 740' FSL & 1,737' FWL | 43-047-35914 |
| Southman Canyon #4C-30 | NW/NW | 30 | 9S | 24E | UTU-80571 | 676' FNL & 568' FWL | 43-047-35913 |
| Southman Canyon 12-30 | NW/SW | 30 | 9S | 24E | UTU-80571 | 1,912' FSL & 513' FWL | 43-047-36104 |
| Southman Canyon 8-30 | SE/NE | 30 | 9S | 24E | UTU-80571 | 1,875' FNL & 818' FEL | 43-047-35994 |
| Southman Canyon 9-30 | NE/SE | 30 | 9S | 24E | UTU-80571 | 2,089' FSL & 831' FEL | 43-047-36019 |

* 43047-35906
• 43047-35953

TRANSFER OF OPERATOR

STATE OF UTAH APPROVED AND PENDING 43

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number | FIELD | Well Type |
|---------------------------------------|-----------------|---------------|----------------|----------------|---------------------|-------------------------------------|-------------------------|---------------------------|----------------|
| Asphalt Wash 11-16-11-24 | NESW | 16 | 11S | 24E | ML-73921 | 2000 FSL & 1900 FWL | 43-047-37088 | Undesignated | Gas |
| Asphalt Wash 12-16-11-24 | NWSW | 16 | 11S | 24E | ML-47080 | 2060 FSL & 839 FWL | 43-047-36873 | Undesignated | Gas |
| Asphalt Wash 14-16-11-24 | SESW | 16 | 11S | 24E | ML-47080 | 537 FSL & 2140 FWL | 43-047-36876 | Undesignated | Gas |
| Asphalt Wash 3-16-11-24 | NENW | 16 | 11S | 24E | ML-47080 | 825 FNL & 2116 FWL | 43-047-36886 | Undesignated | Gas |
| Asphalt Wash 4-16-11-24 | NWNW | 16 | 11S | 24E | ML-47080 | 521 FNL & 766 FWL | 43-047-36885 | Undesignated | Gas |
| Asphalt Wash 5-16-11-24 | SWNW | 16 | 11S | 24E | ML-47080 | 1880 FNL & 630 FWL | 43-047-37089 | Undesignated | Gas |
| Asphalt Wash 7-16-11-24 | SWNE | 16 | 11S | 24E | ML-47080 | 1781 FNL & 1676 FEL | 43-047-36874 | Undesignated | Gas |
| Asphalt Wash 8-16-11-24 | SENE | 16 | 11S | 24E | ML-47080 | 1905 FNL & 642 FEL | 43-047-36875 | Undesignated | Gas |
| Bonanza 14-20 | SESW | 20 | 9S | 25E | ML-45558 | 838' FSL & 1,922' FWL | 43-047-35930 | Chapita Wells | Gas |
| Bonanza 4-20 | NWNW | 20 | 9S | 25E | ML-45558 | 933' FNL & 583 FWL | 43-047-35924 | Chapita Wells | Gas |
| Bonanza 4-29 | NWNW | 29 | 9S | 25E | ML-45559 | 600' FNL & 596' FWL | 43-047-36010 | Chapita Wells | Gas |
| Bonanza 4-36 | NWNW | 36 | 9S | 24E | ML-46527 | 258' FNL & 862' FWL | 43-047-35861 | Natural Buttes | Gas |
| Bonanza 6-20 | SENW | 20 | 9S | 25E | ML-45558 | 2,178' FNL & 1,839' FWL | 43-047-35928 | Chapita Wells | Gas |
| Buck Canyon 9-16-12-21 | NESE | 16 | 12S | 21E | ML-47085 | 1980' FSL & 660' FEL | 43-047-37091 | Buck Canyon | Gas |
| Buck Canyon 11-16-12-21 | NESW | 16 | 12S | 21W | ML-47085 | NA | 43-047-37119 | Undesignated | Gas |
| Buck Canyon 13-16-21-21 | SWSW | 16 | 21S | 21W | ML-47085 | NA | 43-047-37118 | Undesignated | Gas |
| Buck Canyon 15-16-12-21 | SWSE | 16 | 12S | 21W | ML-47085 | NA | 43-047-37120 | Buck Canyon | Gas |
| East Bench 1-16 | NENE | 16 | 11S | 22E | ML-46911 | 660' FNL & 660' FEL | 43-047-36126 | Undesignated | Gas |
| East Bench 15-16 | SWSE | 16 | 11S | 22E | ML-46911 | 545' FSL & 1,848' FEL | 43-047-36128 | Undesignated | Gas |
| East Bench 3-16 | NENW | 16 | 11S | 22E | ML-46911 | 832' FNL & 1,978' FWL | 43-047-36125 | Undesignated | Gas |
| East Bench 7-16 | SWNE | 16 | 11S | 22E | ML-46911 | 1,909' FNL & 1,643' FEL | 43-047-36127 | Undesignated | Gas |
| East Bench 12-16-11-22 | NWSW | 16 | 11S | 22E | ML-46911 | 1862 FSL & 838 FEL | 43-047-37128 | Undesignated | Gas |
| East Bench 13-16-11-22 | SWSW | 16 | 11S | 22E | ML-46911 | 880 FSL & 750 FWL | 43-047-37130 | Undesignated | Gas |
| East Bench 14-16-11-22 | SESW | 16 | 11S | 22E | ML-46911 | 848 FSL & 1930 FWL | 43-047-37122 | Undesignated | Gas |
| East Bench 16-16-11-22 | SESE | 16 | 11S | 22E | ML-46911 | 663 FSL & 1055 FEL | 43-047-37121 | Undesignated | Gas |
| East Bench 2-16-11-22 | NWNE | 16 | 11S | 22E | ML-46911 | 705 FNL & 2077 FEL | 43-047-37125 | Undesignated | Gas |
| East Bench 4-16-11-22 | NWNW | 16 | 11S | 22E | ML-46911 | 760 FNL & 860 FWL | 43-047-37126 | Undesignated | Gas |
| East Bench 5-16-11-22 | SWNW | 16 | 11S | 22E | ML-46911 | 1980 FNL & 758 FWL | 43-047-37129 | Undesignated | Gas |
| East Bench 6-16-11-22 | SENW | 16 | 11S | 22E | ML-46911 | 1887 FNL & 2138 FWL | 43-047-37124 | Undesignated | Gas |
| East Bench 8-16-11-22 | SENE | 16 | 11S | 22E | ML-46911 | 1880 FNL & 780 FEL | 43-047-37127 | Undesignated | Gas |
| East Bench 9-16-11-22 | NESE | 16 | 11S | 22E | ML-46911 | 2035 FSL & 1422 FEL | 43-047-37123 | Undesignated | Gas |
| Gusher 6-2 | SENW | 2 | 6S | 19E | ML-49144 | 1550 FNL & 1825 FWL | 43-047-36963 | Moffit Canal | Oil |
| Hanging Rock 1-32 | NENE | 32 | 11S | 23E | ML-47079 | 542' FNL & 690' FEL | 43-047-36309 | Undesignated | Gas |
| Little Pack Mountain 1-16 | NWNW | 16 | 12S | 20E | ML-47082 | 609 FNL & 688 FEL | 43-047-36981 | Wildcat | Gas |
| Little Pack Mountain 7-32 | SWNE | 32 | 12S | 20E | ML-47083 | 1792 FNL & 1797 FEL | 43-047-36980 | Wildcat | Gas |
| Rock House 12-36-10-23 | NWSW | 36 | 10S | 23E | ML-47907 | 1844 FSL & 755 FWL | 43-047-36534 | Natural Buttes | Gas |
| Rock House 13-32-10-23 | SWSW | 32 | 10S | 23E | ML-47063 | 564 FSL & 471 FWL | 43-047-36411 | Natural Buttes | Gas |
| Rock House 1-36-10-22 | NENE | 36 | 10S | 22E | ML-47061 | 620 FNL & 850 FEL | 43-047-36408 | Natural Buttes | Gas |
| Rock House 3-36-10-22 | NENW | 36 | 10S | 22E | ML-47061 | 934 FNL & 1783 FWL | 43-047-36407 | Natural Buttes | Gas |
| Rock House 4-32-10-23 | SWNW | 32 | 10S | 23E | ML-47063 | 1406 FNL & 562 FWL | 43-047-36412 | Natural Buttes | Gas |
| Rock House 7-36-10-22 | SWNE | 36 | 10S | 22E | ML-47061 | 2209 FNL & 2445 FEL | 43-047-36409 | Natural Buttes | Gas |
| Rock House 9-32-10-23 | NESE | 32 | 10S | 23E | ML-47063 | 2008 FSL & 1842 FEL | 43-047-36337 | Natural Buttes | Gas |
| Rockhouse #13-36 | SWSW | 36 | 10S | 22E | ML-46907 | 486 FSL & 844' FWL | 43-047-35902 | Natural Buttes | Gas |
| Rockhouse 16-2 | SESE | 2 | 11S | 23E | ML-47078 | 909' FSL & 748' FEL | 43-047-36152 | Rockhouse | Gas |
| Seep Springs 10-13-12-24 | NWSE | 13 | 12S | 24E | ML-49275 | 1950 FSL & 1802 FEL | 43-047-36634 | Undesignated | Gas |
| Seep Springs 1-13-12-24 | NENE | 13 | 12S | 24E | ML-49275 | 753 FNL & 487 FEL | 43-047-36628 | Undesignated | Gas |
| Seep Springs 15-11-12-24 | SWSE | 11 | 12S | 24E | ML-49274 | 829 FSL & 2178 FEL | 43-047-36626 | Undesignated | Gas |
| Seep Springs 15-13-12-24 | SWSE | 13 | 12S | 24E | ML-49275 | 622 FSL & 1806 FEL | 43-047-36630 | Undesignated | Gas |
| Seep Springs 16-11-12-24 | SESE | 11 | 12S | 24E | ML-49274 | 659 FSL & 466 FEL | 43-047-36625 | Undesignated | Gas |
| Seep Springs 16-13-12-24 | SESE | 13 | 12S | 24E | ML-49275 | 686 FSL & 640 FEL | 43-047-36629 | Undesignated | Gas |
| Seep Springs 2-13-12-24 | NWNE | 13 | 12S | 24E | ML-49275 | 465 FNL & 1807 FEL | 43-047-36627 | Undesignated | Gas |
| Seep Springs 7-13-12-24 | SWNE | 13 | 12S | 24E | ML-49275 | FNL & FEL | 43-047-36631 | Undesignated | Gas |
| Seep Springs 8-13-12-24 | SENE | 13 | 12S | 24E | ML-49275 | 1969 FNL & 642 FEL | 43-047-36632 | Undesignated | Gas |
| Seep Springs 9-13-12-24 | NESE | 13 | 12S | 24E | ML-49275 | 663 FSL & 1960 FEL | 43-047-36633 | Undesignated | Gas |
| Southman Canyon 11-36-9-23 | NESW | 36 | 9S | 23E | ML-47782 | 1965 FSL & 1953 FWL | 43-047-36535 | Natural Buttes | Gas |
| Southman Canyon 13-36-9-23 | SWSW | 36 | 9S | 23E | ML-47782 | 467 FSL & 823 FWL | 43-047-36632 | Natural Buttes | Gas |

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number | FIELD | Well Type |
|----------------------------|------|-----|----|-----|--------------|----------------------------|--------------|----------------|-----------|
| Southman Canyon 1-36-9-23 | NENE | 36 | 9S | 23E | ML-47782 | 681 FNL & 496 FEL | 43-047-36537 | Natural Buttes | Gas |
| Southman Canyon 15-36-9-23 | SWSE | 36 | 9S | 23E | ML-47782 | 529 FSL & 1784 FEL | 43-047-36529 | Natural Buttes | Gas |
| Southman Canyon 3-36-9-23 | NENW | 36 | 9S | 23E | ML-47782 | 464 FNL & 1815 FWL | 43-047-36530 | Natural Buttes | Gas |
| Southman Canyon 5-36-9-23 | SWNW | 36 | 9S | 23E | ML-47782 | 2028 FNL & 499 FWL | 43-047-36531 | Natural Buttes | Gas |
| Southman Canyon 7-36-9-23 | SENE | 36 | 9S | 23E | ML-47782 | 2184 FNL & 1994 FEL | 43-047-36536 | Natural Buttes | Gas |
| Southman Canyon 9-36-9-23 | NESE | 36 | 9S | 23E | ML-47782 | 1978 FNL & 657 FEL | 43-047-36533 | Natural Buttes | Gas |

TRANSFER OF OPERATING BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number |
|-------------------------|-------|-----|-----|-----|--------------|----------------------------|--------------|
| Asphalt Wash 13-6 | SW/SW | 6 | 11S | 24E | UTU-73919 | 400' FSL & 550' FWL | |
| Asphalt Wash 10-9-11-24 | NW SE | 9 | 11S | 24E | UTU-73920 | 1846 FSL & 1942 FEL | 43-047-37071 |
| Asphalt Wash 11-9-11-24 | NE SW | 9 | 11S | 24E | UTU-73920 | 1799 FSL & 1782 FWL | 43-047-37073 |
| Asphalt Wash 12-6-11-24 | NW SW | 6 | 11S | 24E | UTU-73919 | 1844 FSL & 683 FWL | 43-047-37066 |
| Asphalt Wash 14-6-11-24 | SE SW | 6 | 11S | 24E | UTU-73919 | 704 FSL & 2123 FWL | 43-047-37067 |
| Asphalt Wash 14-9-11-24 | SE SW | 9 | 11S | 24E | UTU-73920 | 460 FSL & 2115 FWL | 43-047-37076 |
| Asphalt Wash 15-9-11-24 | SW SE | 9 | 11S | 24E | UTU-73920 | 804 FSL & 1990 FEL | 43-047-37074 |
| Asphalt Wash 16-9-11-24 | SE SE | 9 | 11S | 24E | UTU-73920 | 826 FSL & 472 FEL | 43-047-37075 |
| Asphalt Wash 2-6-11-24 | NW NE | 6 | 11S | 24E | UTU-73919 | 735 FNL & 1590 FEL | 43-047-37061 |
| Asphalt Wash 2-7-11-24 | NW NE | 7 | 11S | 24E | UTU-73919 | 621 FNL & 2462 FEL | 43-047-37068 |
| Asphalt Wash 2-9-11-24 | NW NE | 9 | 11S | 24E | UTU-73920 | 829 FNL & 1774 FEL | 43-047-37070 |
| Asphalt Wash 3-6-11-24 | NE NW | 6 | 11S | 24E | UTU-73919 | 792 FNL & 1925 FWL | 43-047-37062 |
| Asphalt Wash 4-6-11-24 | NW NW | 6 | 11S | 24E | UTU-73919 | 820 FNL & 1007 FWL | 43-047-37063 |
| Asphalt Wash 5-6-11-24 | SW NW | 6 | 11S | 24E | UTU-73919 | 1738 FNL & 716 FWL | 43-047-37064 |
| Asphalt Wash 6-7-11-24 | SE NW | 7 | 11S | 24E | UTU-73919 | 2013 FNL & 2241 FWL | 43-047-37069 |
| Asphalt Wash 7-6-11-24 | SW NE | 6 | 11S | 24E | UTU-73919 | 1616 FNL & 1615 FEL | 43-047-37065 |
| Asphalt Wash 7-9-11-24 | SE NE | 9 | 11S | 24E | UTU-73920 | 1883 FNL & 1854 FEL | 43-047-37072 |
| Asphalt Wash 1-7-11-24 | NE NE | 7 | 11S | 24E | UTU-73919 | 426 FNL & 270 FEL | 43-047-37084 |
| Asphalt Wash 4-7-11-24 | NW NW | 7 | 11S | 24E | UTU-73919 | 856 FNL & 860 FWL | 43-047-37085 |
| Asphalt Wash 7-7-11-24 | SW NE | 7 | 11S | 24E | UTU-73919 | 1909 FNL & 1893 FEL | 43-047-37087 |
| Asphalt Wash 8-7-11-24 | SE NE | 7 | 11S | 24E | UTU-73919 | 1998 FNL & 683 FEL | 43-047-37086 |
| Bonanza 4-7 | NW/NW | 7 | 9S | 24E | UTU-73457 | 809' FNL & 670' FWL | 43-047-36017 |
| Bonanza 8-17 | SW/NE | 17 | 9S | 24E | UTU-73457 | 1865' FNL & 584' FEL | 43-047-36041 |
| Bonanza 11-11-9-23 | NE SW | 11 | 9S | 23E | UTU-74426 | 2036 FSL & 2043 FWL | 43-047-36649 |
| Bonanza 11-12-9-23 | NE SW | 12 | 9S | 23E | UTU-74426 | 1799 FSL & 1948 FWL | 43-047-36655 |
| Bonanza 11-18-9-24 | NE SW | 18 | 9S | 24E | UTU-73457 | 1785 FSL & 2133 FWL | 43-047-36637 |
| Bonanza 12-23-9-24 | NW/SW | 23 | 9S | 24E | UTU-81311 | 1882 FSL & 699 FWL | 43-047-36640 |
| Bonanza 12-35 | NW/SW | 35 | 9S | 24E | UTU 73459 | 1374' FSL & 858' FWL | 43-047-36020 |
| Bonanza 13-11-9-23 | SW SW | 11 | 9S | 23E | UTU-74426 | 463 FSL & 773 FWL | 43-047-36650 |
| Bonanza 13-12-9-23 | SW SW | 12 | 9S | 23E | UTU-74426 | 661 FSL & 656 FWL | 43-047-36528 |
| Bonanza 13-18-9-24 | SW SW | 18 | 9S | 24E | UTU-73457 | 767 FSL & 583 FWL | 43-047-36638 |
| Bonanza 14-11-9-23 | SE SW | 11 | 9S | 23E | UTU-74426 | 756 FSL & 1859 FWL | 43-047-36651 |
| Bonanza 14-23-9-24 | SE/SW | 23 | 9S | 24E | UTU-81311 | 560 FSL & 1878 FWL | 43-047-36641 |
| Bonanza 15-11-9-23 | SW SE | 11 | 9S | 23E | UTU-74426 | 660 FSL & 1980 FEL | 43-047-36652 |
| Bonanza 15-12-9-23 | SW SE | 12 | 9S | 23E | UTU-74426 | 607 FSL & 1920 FEL | 43-047-36656 |
| Bonanza 15-18-9-24 | SW SE | 18 | 9S | 24E | UTU-73457 | 463 FSL & 2162 FEL | 43-047-36639 |
| Bonanza 16-12-9-23 | SE SE | 12 | 9S | 23E | UTU-74426 | 855 FSL & 536 FEL | 43-047-36657 |
| Bonanza 16-8 | SE/SE | 8 | 9S | 24E | UTU-73457 | 588' FSL & 524' FEL | 43-047-36101 |
| Bonanza 2-11-9-23 | NW NE | 11 | 9S | 23E | UTU 74426 | 664 FNL & 1925 FEL | 43-047-36643 |
| Bonanza 2-12-9-23 | NW NE | 12 | 9S | 23E | UTU-74426 | 743 FNL & 1962 FEL | 43-047-36527 |
| Bonanza 3-11-9-23 | NE NW | 11 | 9S | 23E | UTU 74426 | 499 FNL & 1898 FWL | 43-047-36644 |
| Bonanza 3-12-9-23 | NE NW | 12 | 9S | 23E | UTU-74426 | 734 FNL & 1866 FWL | 43-047-36524 |
| Bonanza 4-35 | NW/NW | 35 | 9S | 24E | UTU 73459 | 789' FNL & 807' FWL | 43-047-35925 |
| Bonanza 5-11-9-23 | SW NW | 11 | 9S | 23E | UTU 74426 | 1794 FNL & 609 FWL | 43-047-36645 |

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

| Well Name | Q/Q | Sec | T | R | Lease Number | Footages f/ Sec Lines - SL | API Number |
|-----------------------------|------------------|---------------|----------------|----------------|----------------------|--------------------------------------|-------------------------|
| Bonanza 5-12-9-23 | SW NW | 12 | 9S | 23E | UTU-74426 | 1996 FNL & 558 FWL | 43-047-36526 |
| Bonanza 5-18-9-24 | SW NW | 18 | 9S | 24E | UTU-73457 | 2147 FNL & 662 FWL | 43-047-36635 |
| Bonanza 5-22 | SW/NW | 22 | 8S | 25E | UTU-73470 | 1,932' FNL & 415' FWL | 43-047-35918 |
| Bonanza 5-24-9-24 | SW/NW | 24 | 9S | 24E | UTU-73458 | 2167 FNL & 714 FWL | 43-047-36642 |
| Bonanza 6-11-9-23 | SE NW | 11 | 9S | 23E | UTU-74426 | 2069 FNL & 1801 FWL | 43-047-36646 |
| Bonanza 6-12-9-23 | SE NW | 12 | 9S | 23E | UTU-74426 | 2114 FNL & 1871 FWL | 43-047-36525 |
| Bonanza 7-11-9-23 | SW NE | 11 | 9S | 23E | UTU-74426 | 2060 FNL & 2134 FEL | 43-047-36647 |
| Bonanza 7-12-9-23 | SW NE | 12 | 9S | 23E | UTU-74426 | 2065 FNL & 2159 FEL | 43-047-36653 |
| Bonanza 8-35 | SENE | 35 | 9S | 24E | UTU-73459 | 1987' FNL & 909' FEL | 43-047-36105 |
| Bonanza 9-11-9-23 | NE SE | 11 | 9S | 23E | UTU-74426 | 2008 FSL & 553 FEL | 43-047-36648 |
| Bonanza 9-12-9-23 | NE SE | 12 | 9S | 23E | UTU-74426 | 1980 FSL & 660 FEL | 43-047-36654 |
| Bonanza 9-18-9-24 | NE SE | 18 | 9S | 24E | UTU-73457 | 2009 FSL & 852 FEL | 43-047-36636 |
| Bonanza 9-22 | NE/SE | 22 | 9S | 24E | UTU-75118 | 1,969' FSL & 495' FEL | 43-047-36102 |
| East Bench 9-20 | NE/SE | 20 | 11S | 22E | UTU-73905 | 2,170' FSL & 472' FEL | 43-047-36275 |
| Rock House 12-30-10-23 | NE SW | 30 | 10S | 23E | UTU-76281 | 2320 FSL & 1980 FWL | 43-047-36548 |
| Rock House 12-31-10-23 | NW SW | 31 | 10S | 23E | UTU-76281 | 1900 FSL & 460 FWL | 43-047-36552 |
| Rock House 13-30-10-23 | SW SW | 30 | 10S | 23E | UTU-76281 | 553 FSL & 573 FWL | 43-047-36549 |
| Rock House 14-31-10-23 | SE SW | 31 | 10S | 23E | UTU-76281 | 860 FSL & 1890 FWL | 43-047-36553 |
| Rock House 3-31-10-23 | NE NW | 31 | 10S | 23E | UTU-76281 | 854 FNL & 1940 FWL | 43-047-36551 |
| Rock House 5-30-10-23 | SW NW | 30 | 10S | 23E | UTU-76281 | 1858 FNL & 703 FWL | 43-047-36547 |
| Rock House 5-31-10-23 | SW NW | 31 | 10S | 23E | UTU-76281 | 2055 FNL & 2097 FWL | 43-047-36550 |
| Rock House 6-31-10-23 | SE NW | 31 | 10S | 23E | UTU-76281 | 2059 FNL & 2111 FWL | 43-047-36554 |
| Rockhouse #12-30 | NW/SW | 30 | 10S | 23E | UTU-80571 | 1,980' FSL & 660' FWL | 43-047-36018 |
| Rockhouse 13C-31 | SW/SW | 31 | 10S | 23E | UTU-76281 | 135' FSL & 365' FWL | 43-047-35911 |
| Rockhouse 4D-30 | NW NW | 30 | 10S | 23E | UTU-76281 | 1,116 FNL & 1,135' FWL | 43-047-35882 |
| Rockhouse 4D-31 | NW NW | 31 | 10S | 23E | UTU-76281 | 990' FNL & 990' FWL | 43-047-35807 |
| Southman Canyon 12-3-11-24 | NW/SW | 3 | 11S | 24E | UTU-73918 | 1,950' FSL & 514' FWL | 43-047-36272 |
| Southman Canyon 12-30-10-24 | NW/SW | 30 | 10S | 24E | UTU-65371 | 2,118' FSL & 502' FWL | 43-047-36238 |
| Southman Canyon 13-30 | SW/SW | 30 | 9S | 24E | UTU-80571 | 765' FSL & 303' FWL | 43-047-36018 |
| Southman Canyon 16-31-10-24 | SE/SE | 31 | 10S | 24E | UTU-65371 | 621' FSL & 575' FEL | 43-047-36270 |
| Southman Canyon 4-30-10-24 | NW/NW | 30 | 10S | 24E | UTU 65371 | 649' FNL & 607' FWL | 43-047-36237 |
| Southman Canyon 5-19-10-24 | SW/NW | 19 | 10S | 24E | UTU-65371 | 1,978' FNL & 855' FWL | 43-047-36236 |
| Southman Canyon 6-30 | SE/NW | 30 | 9S | 24E | UTU-80571 | 2,015' FNL & 2,581' FWL | 43-047-36103 |

x Duplicate API -
Different well name

OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

9/1/2005

FROM: (Old Operator):

N2525-The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Phone: 1-(713) 830-6938

TO: (New Operator):

N2750-Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Phone: 1-(303) 350-5102

CA No.

Unit:

WELL(S)

| NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS | |
|--------------------------|-----|------|------|------------|-----------|------------|-----------|-------------|---|
| BONANZA 3-12-9-23 | 12 | 090S | 230E | 4304736524 | | Federal | GW | APD | C |
| BONANZA 6-12-9-23 | 12 | 090S | 230E | 4304736525 | | Federal | GW | APD | C |
| BONANZA 5-12-9-23 | 12 | 090S | 230E | 4304736526 | | Federal | GW | APD | C |
| BONANZA 2-12-9-23 | 12 | 090S | 230E | 4304736527 | | Federal | GW | APD | C |
| BONANZA 13-12-9-23 | 12 | 090S | 230E | 4304736528 | | Federal | GW | APD | C |
| BONANZA 5-18-9-24 | 18 | 090S | 240E | 4304736635 | | Federal | GW | APD | C |
| ROCK HOUSE 5-30-10-23 | 30 | 100S | 230E | 4304736547 | | Federal | GW | APD | C |
| ROCK HOUSE 12-30-10-23 | 30 | 100S | 230E | 4304736548 | | Federal | GW | NEW | C |
| ROCK HOUSE 13-30-10-23 | 30 | 100S | 230E | 4304736549 | | Federal | GW | APD | C |
| ROCK HOUSE 5-31-10-23 | 31 | 100S | 230E | 4304736550 | | Federal | GW | NEW | C |
| ROCK HOUSE 3-31-10-23 | 31 | 100S | 230E | 4304736551 | | Federal | GW | APD | C |
| ROCK HOUSE 12-31-10-23 | 31 | 100S | 230E | 4304736552 | | Federal | GW | APD | C |
| ROCK HOUSE 14-31-10-23 | 31 | 100S | 230E | 4304736553 | | Federal | GW | APD | C |
| ROCK HOUSE 6-31-10-23 | 31 | 100S | 230E | 4304736554 | | Federal | GW | APD | C |
| SOUTHMAN CYN 5-19-10-24 | 19 | 100S | 240E | 4304736236 | | Federal | GW | APD | |
| SOUTHMAN CYN 4-30-10-24 | 30 | 100S | 240E | 4304736237 | | Federal | GW | APD | |
| SOUTHMAN CYN 12-30-10-24 | 30 | 100S | 240E | 4304736238 | | Federal | GW | APD | |
| SOUTHMAN CYN 16-31-10-24 | 31 | 100S | 240E | 4304736270 | | Federal | GW | APD | |
| EAST BENCH 9-20 | 20 | 110S | 220E | 4304736275 | | Federal | GW | APD | C |
| BUCK CAMP 4-25 | 25 | 110S | 220E | 4304736276 | | Federal | GW | APD | C |
| BUCK CAMP 4-26 | 26 | 110S | 220E | 4304736274 | | Federal | GW | APD | C |
| SOUTHMAN CYN 12-3-11-24 | 03 | 110S | 240E | 4304736272 | | Federal | GW | APD | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/20052. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/20053. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/20054. Is the new operator registered in the State of Utah: YES Business Number: 5771233-01615. If **NO**, the operator was contacted on:

6a. (R649-9-2)Waste Management Plan has been received on:

Requested 9/29/05

6b. Inspections of LA PA state/fee well sites complete on:

n/a

6c. Reports current for Production/Disposition & Sundries on: 9/29/2005

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 9/29/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 9/29/2005
3. Bond information entered in RBDMS on: 9/30/2005
4. Fee/State wells attached to bond in RBDMS on: 9/30/2005
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/26/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000173

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0008031
2. The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 350-5114

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 743' FNL - 1,962' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 12 9S 23E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-74426

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
Bonanza 2-12-9-23

9. API NUMBER:
4304736527

10. FIELD AND POOL, OR WILDCAT:
Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:
3/14/2006

☐ SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Request for APD
Extension

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 4-11-2006
TO: 4-11-2007

A well name change is pending...

FROM: Bonanza 2-12-9-23
TO: Bonanza 9-23-31-12

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-21-06

By: [Signature]

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman - Regulatory Specialist

SIGNATURE [Signature]

DATE 3/14/2006

(This space for State use only)

RECEIVED
MAR 17 2006

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36527
Well Name: Bonanza 2-12-9-23
Location: 743' FNL - 1,962' FEL NWNE Sec 12, 9S-23E
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 4/11/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

3/14/2006
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED
MAR 17 2006

DIV. OF OIL, GAS & MINING

APR 5 2005

SEP 21 2005

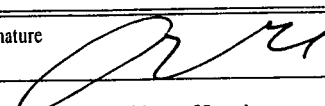
Form 3160-3
(April 2004)FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

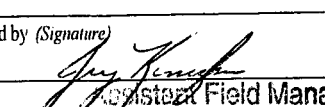
APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. UTU-74426 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name N/A |
| 2. Name of Operator Enduring Resources, LLC | | 7. If Unit or CA Agreement, Name and No. N/A |
| 3a. Address 475 17th Street, Suite 1500, Denver, CO 80202 | 3b. Phone No. (include area code) 303-573-1222 | 8. Lease Name and Well No. Bonanza 2-12-9-23 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 743 FNL & 1962 FEL NWNE Sec 12, T9S, R23E At proposed prod. zone SAME | | 9. API Well No. 43-047-36527 |
| 14. Distance in miles and direction from nearest town or post office* | | 10. Field and Pool, or Exploratory |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | | 11. Sec., T. R. M. or Blk. and Survey or Area NWNE Sec 12, T9S, R23E |
| 16. No. of acres in lease | | 12. County or Parish Uintah |
| 17. Spacing Unit dedicated to this well | | 13. State UT |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | | 19. Proposed Depth 8,225' |
| 20. BLM/BIA Bond No. on file UTB000173 | | 21. Estimated duration |
| 22. Approximate date work will start* | | 23. Estimated duration |
| 24. Attachments | | |

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

| | | |
|---|---------------------------------------|--------------------|
| 25. Signature  | Name (Printed/Typed) Alex Campbell | Date 09/19/2005 |
| Title Vice President of Land | | |

| | | |
|---|--------------------------------------|------------------|
| Approved by (Signature)  | Name (Printed/Typed) JERRY KEWZKA | Date 8-4-2006 |
| Title Assistant Field Manager Lands & Mineral Resources | | |
| Office VERNAL FIELD OFFICE | | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED
RECEIVED

AUG 10 2006

DIV. OF OIL, GAS & MINING

Approved by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC
Well No: Bonanza 2-12-9-23
API No: 43-047-36527

Location: NWNE, Sec 12, T9S, R23E
Lease No: UTU-74426
Agreement: N/A

| | | | |
|---|----------------|----------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Supervisory Petroleum Technician: | Jamie Sparger | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist: | Paul Buhler | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist: | Karl Wright | Office: 435-781-4484 | |
| Natural Resource Specialist: | Holly Villa | Office: 435-781-4404 | |
| Natural Resource Specialist: | Melissa Hawk | Office: 435-781-4476 | |
| Natural Resource Specialist: | Chris Carusona | Office: 435-781-4441 | |
| Natural Resource Specialist: | Scott Ackerman | Office: 435-781-4437 | |
| After Hours Contact Number: 435-781-4513 | | Fax: 435-781-4410 | |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|---|---|
| Location Construction (Notify Karl Wright) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Karl Wright) | - Prior to moving on the drilling rig. |
| Spud Notice (Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing (Notify Jamie Sparger) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings |
| BOP & Related Equipment Tests (Notify Jamie Sparger) | - Twenty-Four (24) hours prior to initiating pressure tests |
| First Production Notice (Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- This well is being approved in accordance with Washington Instruction Memorandum 2005-247 and Section 390 (Category 3) of the Energy Policy Act which establishes statutory categorical exclusions (CX) under the National Environmental Policy Act (NEPA). Category 3 states that an oil or gas well can be drilled within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. This well is covered under the Environmental Assessment West Bonanza Area Natural Gas Well Development Project Uintah County, Utah, signed July 18, 2006. If the well has not been spudded by July 18, 2011; a new environmental document will have to be prepared prior to the approval of the APD.
- All applicable local, state, and/or federal laws, regulations, and/or statutes must be complied with.
- The proposed buried pipelines will be laid adjacent to the access roads, using the road as a working surface. The pipeline trench shall be dug in the borrow ditch of the road and the trench material side cast into the existing vegetation. Upon completion of backfilling the trenches, reclaim with a seed drill using the seed mix listed below. Seeding shall include the area where the trench material was set aside.
- Construction related traffic shall be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- The reserve pit will be lined with a 16 ml or greater liner.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The liner is to be cut at the level of the cuttings or treated to prevent the reemergence of the pit liner and pit material to the surface or its interference with long-term successful re-vegetation. Any excess liner material removed from the pit is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure that animals do not ingest or become entrapped in pit fluids.
- Drill cuttings and mud will remain in the reserve pit until DRY. The reserve pit must be free of oil and other liquid and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to filling. The reserve pit will not be "squeezed," (filled with soil while still containing fluids) or "cut" (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).
- Prevent fill and stock piles from entering drainages.

- **CULTURAL AND PALEONTOLOGICAL RESOURCES STIPULATION.** Any cultural and/or paleontological resource (historic or prehistoric site or object or fossil) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and a decision as to proper mitigation measures shall be made by the authorized officer after consulting with the holder.

WILDLIFE

- Due to the sites being in close proximity to an active prairie dog colony (considered habitat for Burrowing owl) a timing restriction from April 1- August 15 will be in affect to protect the owl during the nesting season.
- The access road will be crowned and ditched. Flat-bladed roads are NOT allowed.
- Notify Melissa Hawk or the Authorized officer 48 hours prior to surface disturbance.
- All well facilities not OSHA regulated will be painted Carlsbad Canyon.
- Trees which must be removed from the location must be piled separately off location and saved for final reclamation purposes.
- Interim Reclamation (see below):
- The first 4-6 inches of topsoil from the construction site will be stripped and piled separately from other excavated material.
- Where areas will be set aside on an interim basis (areas due to receive further disturbance prior to final reclamation) these sites will be re-contoured as much as possible, have needed top soil re-spread and planted with the seed mix below:

| | | |
|----------------------------|-----------------------|------------------|
| Indian Ricegrass | Pleuraphis hymenoides | 4lbs. /acre |
| Needle and Threadgrass | Stipa comata | 4lbs. /acre |
| Hycress Crested Wheatgrass | Agropyron cristatum | 4lbs. /acre |
| | | 12 lbs. per acre |

- All pounds are in pure live seed.
- Reseeding may be required if first seeding is not successful.
- Once the location is plugged and abandoned contact the Authorized Officer for final reclamation plans.
- The seed mix listed in the APD (black sage, shadscale, Indian rice grass) shall be used to seed all unused portions of the pad no longer needed for ongoing or future operation. Re-seeding may be required if the first seeding is not successful.
- All seed mixtures shall be weed free.

- The seed shall be drilled or hand broadcast and harrowed into the ground during September of the year following earthwork for initial or final reclamation. Planting depth shall not exceed one-half inch using a seed drill. Weed seed free mulch shall also be applied to the planting area sufficiently to uniformly cover 80% of the seeded area. Hydroseeding and mulching can also be used, but seeding rates will need to be doubled.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.
- All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.
- The base of usable water has been identified at $\pm 2299'$. To protect this resource, the cement behind the production casing must extend a minimum of 200' above this depth.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and / or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water

produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 350-5114

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 743' FNL - 1,962' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 12 9S 23E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 3/14/2006 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Request for APD Extension |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 3/21/2007

TO: 3/21/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-11-07
By: [Signature]

SENT TO OPERATOR
1-16-07
RM

NAME (PLEASE PRINT) Evette Bissett

TITLE Regulatory Affairs Assistant

SIGNATURE

[Signature]

DATE 1/5/2007

(This space for State use only)

RECEIVED

JAN 11 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736527
Well Name: Bonanza 9-23-31-12
Location: 743' FNL - 1,962' FEL, NWNE Sec 12, 9S-23E
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 4/11/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/5/2007
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

RECEIVED
JAN 11 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74426 |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: N/A |
| PHONE NUMBER: (303) 350-5114 | | 8. WELL NAME and NUMBER: Bonanza 9-23-31-12 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 743' FNL - 1,962' FEL | | 9. API NUMBER: 4304736527 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 12 9S 23E S | | 10. FIELD AND POOL, OR WILDCAT: Wildcat |
| COUNTY: Uintah | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Request for APD Extension |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 1-11-2008
TO: 1-11-2009

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 1-14-2008
Initials: [Signature]

Date: 01-10-08
By: [Signature]

| | |
|--|---------------------------------------|
| NAME (PLEASE PRINT) Alvin R. (Al) Arlian | TITLE Landman - Regulatory Specialist |
| SIGNATURE [Signature] | DATE 1/5/2008 |

(This space for State use only)

RECEIVED

JAN 10 2008

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736527
Well Name: Bonanza 9-23-31-12
Location: 743' FNL - 1,962' FEL, NWNE Sec 12, 9S-23E
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 4/11/2005

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Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

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Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

1/5/2008

Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

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JAN 10 2008

DIV. OF OIL, GAS & MINING

RECEIVED
DEC 17 PM 3:32

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|--|--|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. UTU-74426 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name N/A |
| 2. Name of Operator Enduring Resources, LLC | | 7. If Unit or CA Agreement, Name and No. N/A |
| 3a. Address 475 17th Street, Suite 1500 Denver, CO 80202 | 3b. Phone No. (include area code) 303-350-5114 | 8. Lease Name and Well No. Bonanza 9-23-31-12 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 743' FNL - 1962' FEL NWNE Sec 12-T9S-R23E At proposed prod. zone SAME | | 9. API Well No. 43-047-36527 |
| 14. Distance in miles and direction from nearest town or post office* 50.7 miles south of Vernal, UT | | 10. Field and Pool, or Exploratory Undesignated |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 734' | 16. No. of acres in lease 1200 | 11. Sec., T. R. M. or Blk. and Survey or Area Sec 12-T9S-R23E S.L.B.&M. |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000' + | 19. Proposed Depth 8225 | 12. County or Parish Uintah |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5045' GL | 22. Approximate date work will start* 08/01/2008 | 13. State UT |
| 20. BLM/BIA Bond No. on file BLM - UTB000173 | | |
| 23. Estimated duration 20 days | | |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

| | | |
|-------------------|---|---------------------------|
| 25. Signature | Name (Printed/Typed) Alvin R. (Al) Arilan | Date 12/12/2007 |
|-------------------|---|---------------------------|

Title
Landman - Regulatory Specialist

| | | |
|---|---|----------------------------|
| Approved by (Signature) | Name (Printed/Typed) TERRY KEWEKA | Date DEC 15 2008 |
| Title Assistant Field Manager | Office VERNAL FIELD OFFICE | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

UDOGN

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DEC 30 2008

DIV. OF OIL, GAS & MINING

NOS 2/28/05
08MIC071A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources LLC
Well No: Bonanza 9-23-31-12
API No: 43-047-36527

Location: NWNE, Sec. 12, T9S, R23E
Lease No: UTU-74426
Agreement: N/A

| Title | Name | Office Phone Number | Cell Phone Number |
|-----------------------------------|-----------------|---------------------|-------------------|
| Petroleum Engineer: | Matt Baker | (435) 781-4490 | (435) 828-4470 |
| Petroleum Engineer: | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer: | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| Supervisory NRS: | Karl Wright | (435) 781-4484 | (435) 828-7381 |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | (435) 828-3544 |
| NRS/Enviro Scientist: | James Hereford | (435) 781-3412 | |
| NRS/Enviro Scientist: | Chuck Macdonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Dan Emmett | (435) 781-3414 | |
| NRS/Enviro Scientist: | Paul Percival | (435) 781-4493 | |
| NRS/Enviro Scientist: | Anna Figueroa | (435) 781-3407 | (435) 828-3548 |
| NRS/Enviro Scientist: | Verlyn Pindell | (435) 781-3402 | (435) 828-3547 |
| NRS/Enviro Scientist: | Darren Williams | (435) 781-4447 | (435) 828-4029 |
| NRS/Enviro Scientist: | Nathan Packer | (435) 781-3405 | (435) 828-3545 |
| NRS/Enviro Scientist: | David Gordon | (435) 781-4424 | |

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

| | |
|---|--|
| Location Construction (Notify Environmental Scientist) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Environmental Scientist) | - Prior to moving on the drilling rig. |
| Spud Notice (Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing (Notify Supv. Petroleum Tech.) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice (Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

This well is located within the boundary of the West Bonanza Area Natural Gas Well Development Project Environmental Assessment approved 7/18/2006. Any, **additional mitigations or COAs approved in the Finding of No Significant Impact Decision Record to that document are also applicable to approval of this proposed action.**

Mitigation:

- No construction, drilling, or completion operations shall occur from May 15 to June 20 due to potential pronghorn antelope kidding. This may be waived if a qualified wildlife biologist acceptable to the authorized officer determines that the species will be impacted.
- No construction, drilling, or completion operations shall occur from April 1 to Aug. 15 due to potential burrowing owl nesting during the reproductive season. If construction is proposed during that time frame, a burrowing owl survey will be required, by a BLM wildlife biologist, and no construction activities will be allowed within 0.5 mile off an active burrowing owl nest until the adults and any young produced have left the area.

Conditions of Approval:

- The operator must notify any active gilsonite operation within 2 miles of the location 48 hours prior to any blasting associated with this well location.
- All encounters with gilsonite during any surface operation or drilling must be reported to the BLM Vernal Field Office.
- The operator shall control noxious weeds along access road use authorizations, pipeline route authorizations, rights-of-way, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM weeds specialist or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal (PUP) be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.

- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. shall be needed to control the erosion. Low-water crossings shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines shall be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit shall be lined with **16 ml** or greater liner to prevent pit leakage and at least **one felt liner (double felt as need to prevent pit leakage)** prior to spudding.
- All open pits shall be properly fenced and maintained during operations and until the pits are backfilled. When the reserve pit contains fluids or toxic substances, the operator must ensure that animals do not ingest or become entrapped in pit fluids.
- The reserve pit shall be free of oil and other liquids and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to backfilling. The reserve pit must not be “squeezed”, (filled with soil while still containing fluids) or cut (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- All permanent facilities, not regulated by OSHA, shall be painted the same color, **Covert Green**; within six months of installation.
- During construction the topsoil from the location shall be stripped and windrowed separately from the other excess material. The topsoil windrows shall be re-seeded using the interim seed mix and track walked or drag chained at the time the location is constructed. The topsoil removed from the pit area shall be stored separately and will not be re-seeded until the pit is reclaimed. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using the interim seed mix listed below.
- Upon well completion, the well pad location up to the deadmen, shall be re-contoured to the approximate natural contours and the stockpiled topsoil shall be spread evenly over the reclaimed area and then re-seeded using the interim seed mix.

- Reclamation:

Interim seed mix:

| | | |
|-----------------------------|----------------------------|------------|
| Hy-crest Crested Wheatgrass | <i>Agropyron cristatum</i> | 4 lbs/acre |
| Squirreltail grass | <i>Elymus elymoides</i> | 4 lbs/acre |
| Western Wheatgrass | <i>Agropyron smithii</i> | 4 lbs/acre |

Final reclamation seed mix:

| | | |
|-----------------------------|---|------------|
| Hy-crest Crested Wheatgrass | <i>Agropyron cristatum</i> | 4 lbs/acre |
| Squirreltail grass | <i>Elymus elymoides</i> | 4 lbs/acre |
| Western Wheatgrass | <i>Agropyron smithii</i> | 4 lbs/acre |
| Wyoming Big Sagebrush | <i>Artemisia tridentata var. wyomingensis</i> | ½ lbs/acre |

- All pounds are in pure live seed.
 - All seed and mulch shall be certified weed free.
 - Drill seeding is the preferred method.
 - Rates are set for drill seeding; double the rate if broadcasting.
 - If broadcasting seed: The seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain.
 - Reseeding shall be required if initial seeding is not successful.
- Once the location is plugged and abandoned, the well location and access road shall be re-contoured to the natural topography, topsoil shall be re-spread, and the entire location and access road shall be seeded with the final reclamation seed mix. Seed application shall follow all guidelines in the final reclamation seed mix bullet statement above. If reclamation seeding should take place using the broadcast method, the seed at a minimum shall be walked into the soil with a dozer, immediately after the seeding is completed, or covered by soil using a drag chain.

DOWNHOLE CONDITIONS OF APPROVAL:

SITE SPECIFIC DOWNHOLE COAs:

- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- All air/gas drilling operations shall meet specifications in Onshore Order #2, III. Requirements, E. Special Drilling Operations.
- Logging program: Gamma Ray shall be run from TD to surface.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (1/4, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|---|--|--|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74426 |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 | | 7. UNIT or CA AGREEMENT NAME: N/A |
| PHONE NUMBER: (303) 350-5114 | | 8. WELL NAME and NUMBER: Bonanza 9-23-31-12 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 743' FNL - 1,962' FEL | | 9. API NUMBER: 4304736527 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 12 9S 23E S | | 10. FIELD AND POOL, OR WILDCAT: Wildcat |
| COUNTY: Uintah | | STATE: UTAH |

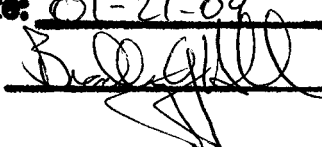
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: Request for APD Extension |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 1/10/2009
TO: ~~1/10/2010~~ DM

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-21-09
By: 

| | |
|---|---------------------------------------|
| NAME (PLEASE PRINT) Alvin R. (Al) Arlian | TITLE Landman - Regulatory Specialist |
| SIGNATURE  | DATE 1/5/2009 |

(This space for State use only)

COPY SENT TO OPERATOR

Date: 1.22.2009
Initials: KS

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
JAN 13 2009

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736527
Well Name: Bonanza 9-23-31-12
Location: 743' FNL - 1,962' FEL, NWNE Sec 12, 9S-23E
Company Permit Issued to: The Houston Exploration Company
Date Original Permit Issued: 4/11/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/5/2009

Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED
JAN 13 2009

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010NOV 11 2010
SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

BLM

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU74426 |
| 2. Name of Operator ENDURING RESOURCES, LLC | | 6. If Indian, Allottee or Tribe Name |
| Contact: AL ARLIAN E-Mail: aarlbian@enduringresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 475 17TH STREET, SUITE 1500 DENVER, CO 80202 | 3b. Phone No. (include area code) Ph: 303-350-5114 Fx: 303-573-0461 | 8. Well Name and No. BONANZA 9-23-31-12 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T9S R23E NWNE 743FNL 1962FEL 40.03206 N Lat, 109.16229 W Lon | | 9. API Well No. 43-047-36527 |
| | | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original PD |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request for a 2-year extension of this well's APD termination date from 12-15-2010 to 12-15-2012

RECEIVED

JAN 20 2011

CONDITIONS OF APPROVAL ATTACHED

DIV. OF OIL, GAS & MINING

| | |
|-----------------------|--------------|
| INTERNAL FIELD OFFICE | |
| ENG. | RLH 11/29/10 |
| GEOL. | |
| E.S. | |
| PET. | |
| RECL. | |

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #97315 verified by the BLM Well Information System
For ENDURING RESOURCES, LLC, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 11/15/2010 ()

| | |
|-----------------------------------|------------------|
| Name (Printed/Typed) AL ARLIAN | Title OPERATIONS |
| Signature (Electronic Submission) | Date 11/11/2010 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|-----------------------------------|
| Approved By <i>Quinn Hatch</i> | Title <i>Acting Asst. Dir. Lands & Minerals</i> | Date <i>12/6/2010</i> |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office <i>Vernal Field Office</i> |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

UDOGM
11/22/2010

Send Email

From: robinhansen@blm.gov

To: aarli@enduringresources.com

CC:

Subject: Well BONANZA 9-23-31-12

Message: The sundry for Change to Original APD you submitted has been approved by the BLM. Your original EC transmission was assigned ID 97315. Please be sure to open and save all attachments to this message, since they contain important information.
Extension approved until 12/15/2012
No other extensions will be approved.

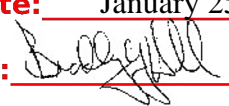
Attachments: EC97315.pdf

Approved By: NAOMI HATCH

ACTING, AFM FOR MINERAL RESOURCES

Status: Sent
2010-12-06 13:35:16

6-Jan-2011 15:28

| | | | | | |
|---|--|---|---|---|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 | | | |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74426 | | | |
| 1. TYPE OF WELL Gas Well | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 7. UNIT or CA AGREEMENT NAME: | | | |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202 | | 8. WELL NAME and NUMBER: BONANZA 9-23-31-12 | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0743 FNL 1962 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 12 Township: 09.0S Range: 23.0E Meridian: S | | 9. API NUMBER: 43047365270000 | | | |
| PHONE NUMBER: 303 350-5114 Ext | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | |
| COUNTY: UINTAH | | STATE: UTAH | | | |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/21/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table> | | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: |
| <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: | | | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request an one-year extension to APD termination date. | | | | | |
| Approved by the Utah Division of Oil, Gas and Mining Date: January 25, 2010 By:  | | | | | |
| NAME (PLEASE PRINT) Alvin Arlian | | PHONE NUMBER 303 350-5114 | | | |
| SIGNATURE N/A | | TITLE Landman-Regulatory | | | |
| DATE 1/21/2010 | | | | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047365270000

API: 43047365270000

Well Name: BONANZA 9-23-31-12

Location: 0743 FNL 1962 FEL QTR NWNE SEC 12 TWNP 090S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 4/11/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Alvin Arlian

Date: 1/21/2010

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: January 25, 2010

By:

RECEIVED January 21, 2010

| | | | | | |
|---|--|---|---|---|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 | | | |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74426 | | | |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | |
| | | 7. UNIT or CA AGREEMENT NAME: | | | |
| 1. TYPE OF WELL Gas Well | | 8. WELL NAME and NUMBER: BONANZA 9-23-31-12 | | | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | | 9. API NUMBER: 43047365270000 | | | |
| 3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202 | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0743 FNL 1962 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 12 Township: 09.0S Range: 23.0E Meridian: S | | COUNTY: UINTAH | | | |
| | | STATE: UTAH | | | |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/11/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table> | | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: |
| <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: | | | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request an one-year extension to APD termination date. | | | | | |
| <p style="color: red; font-weight: bold; margin: 0;"> Approved by the Utah Division of Oil, Gas and Mining </p> <p style="color: red; font-weight: bold; margin: 0;"> Date: <u>04/14/2011</u> </p> <p style="color: red; font-weight: bold; margin: 0;"> By: <u></u> </p> | | | | | |
| NAME (PLEASE PRINT) Alvin Arlian | | PHONE NUMBER 303 350-5114 | | | |
| SIGNATURE N/A | | DATE 4/8/2011 | | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047365270000

API: 43047365270000

Well Name: BONANZA 9-23-31-12

Location: 0743 FNL 1962 FEL QTR NWNE SEC 12 TWNP 090S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 4/11/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 4/8/2011

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

RECEIVED Apr. 08, 2011

| | | |
|--|--|--|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74426 |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: BONANZA 9-23-31-12 | |
| 2. NAME OF OPERATOR: Enduring Resources, LLC | 9. API NUMBER: 43047365270000 | |
| 3. ADDRESS OF OPERATOR: 511-16th Street, Suite 700 , Denver, CO, 80202 | PHONE NUMBER: 303 350-5114 Ext | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0743 FNL 1962 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 12 Township: 09.0S Range: 23.0E Meridian: S | COUNTY: UINTAH | |
| | | STATE: UTAH |

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/11/2012 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: <input type="text"/> |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Request for an one-year extension to APD expiration date.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: April 10, 2012

By: 

| | | |
|-------------------------------------|------------------------------|-----------------------------|
| NAME (PLEASE PRINT) Alvin Arlian | PHONE NUMBER 303 350-5114 | TITLE Landman-Regulatory |
| SIGNATURE N/A | | DATE 4/10/2012 |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047365270000

API: 43047365270000

Well Name: BONANZA 9-23-31-12

Location: 0743 FNL 1962 FEL QTR NWNE SEC 12 TWNP 090S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 4/11/2005

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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
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- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Alvin Arlian

Date: 4/10/2012

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 10, 2013

Al Arlian
Enduring Resources, LLC
511-16TH Street Ste. 700
Denver, CO 80202

Re: APD Rescinded – Bonanza 9-23-31-12, Sec. 12, T. 9S, R. 23E,
Uintah County, Utah, API No. 43-047-36527

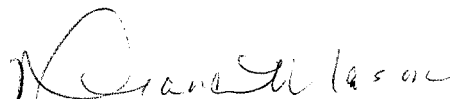
Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 11, 2005. On March 21, 2006, January 11, 2007, January 10, 2008, January 21, 2009, January 25, 2010, April 14, 2011 and April 10, 2012 the Division granted a one-year APD extension. On April 10, 2013, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective April 10, 2013.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



June 13, 2013

IN REPLY REFER TO:
3160 (UTG011)

Al Arlian
Enduring Resources LLC
511 16th Street, Suite 700
Denver, CO 80202

43 047 36527

Re: Notice of Expiration
Well No. Bonanza 9-23-31-12
NWNE, Sec. 12, T9S, R23E
Uintah County, Utah
Lease No. UTU-74426

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on December 15, 2008. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until December 15, 2012. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.

RECEIVED
JUN 18 2013
DIV. OF OIL, GAS & MINING